NYSIF

2021 ANNUAL REPORT

MOVING FORWARD

NYSIF

MISSION DRIVEN

NYSIF was established in 1914 as part of the original enactment of the New York State Workers' Compensation Law. Since then, we have been guided by our mission to guarantee the availability of workers' compensation and disability benefits insurance with the lowest possible cost to New York employers while maintaining a solvent fund.

NYSIF has fulfilled this mission by competing with other carriers to ensure a fair marketplace while serving as a guaranteed source of coverage for employers who cannot secure coverage elsewhere. NYSIF strives to achieve the best health outcomes for injured workers and be an industry leader in price, quality and service for New York State employers.

Our mission is more than just words. It's the way we conduct our business – today and in the future.

WORKERS' COMPENSATION FUND

(in thousands)

	2021	2020
Net Written Premium	**$ 1,733,104**	$ 1,610,727
Net Earned Premium	**$ 1,798,082**	$ 1,583,243
Net Investment Income	**$ 723,087**	$ 1,074,687
Net Income	**$ 658,803**	$ 567,906
Total Admitted Assets	**$ 22,106,139**	$ 21,265,289
Total Surplus	**$ 9,735,429**	$ 8,953,538

DISABILITY BENEFITS FUND

(in thousands)

	2021	2020
Net Written Premium	**$ 122,447**	$ 75,438
Net Earned Premium	**$ 99,327**	$ 58,636
Net Investment Income	**$ 253**	$ 2,330
Net Income	**$ 39,042**	$ 3,591
Total Admitted Assets	**$ 346,111**	$ 280,085
Total Surplus	**$ 235,541**	$ 198,945

MESSAGE FROM THE CHAIRMAN

Kenneth R. Theobalds

As New York's largest workers' compensation insurance provider, NYSIF is committed to meeting the insurance needs of the state's employers and the injured workers who rely on us. Despite the challenges of the past year, the agency moved forward with strategic initiatives to provide new and enhanced services to customers, and to strengthen its commitment to diversity and inclusion through its procurement opportunities, including those for Minority and Women-owned Business Enterprises (MWBEs) and Service-Disabled Veteran-Owned Small Businesses (SDVOSB).

NYSIF leadership and staff adeptly pivoted to embrace the realities of a hybrid work environment while continuing to develop new services and programs, improve processes and better deploy technology to address policyholder needs and improve customer service.

Their commitment and dedication ensure that NYSIF is well-positioned to meet the challenges of the workers' compensation and disability benefits insurance marketplace today and moving forward.

DEDICATED, EXPERIENCED LEADERSHIP

Continuing a legacy of highly skilled financial leadership, NYSIF welcomed Gaurav Vasisht as our new Executive Director & CEO. Having served as an advisor to former Federal Reserve Chairman Paul A. Volcker and as an Executive Deputy Superintendent of the New York State Department of Financial Services, Mr. Vasisht brings to NYSIF a wealth of financial services, regulatory, public policy and management experience.

The Fund is fortunate to have a leader with such an outstanding record of achievement and service, which bodes well for the future.

DIVERSITY AND INCLUSION

NYSIF continued to meet and surpass the goals of New York's MWBE initiative. I am proud that NYSIF far exceeded its established MWBE participation goal of 35% in Fiscal Year 2020-2021, allocating nearly 44% of dollars paid to asset management firms and financial institutions to MWBE-certified firms. It's a great achievement, and we will strive to do more in pursuit of our core mission of delivering superior financial returns and value to NYSIF customers.

As Chairman, it is a privilege to helm a Board of Commissioners, an executive team and a staff so keenly focused on meeting the evolving needs of our customers and injured workers throughout the state. I would like to thank Governor Kathy Hochul for her continued support of NYSIF and its many worthwhile initiatives.

Kenneth R. Theobalds,
Chairman
NYSIF Board of Commissioners

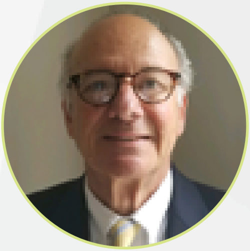
NYSIF BOARD OF COMMISSIONERS

Chairman
KENNETH R. THEOBALDS
President and Managing Partner
RiverRun Partners, LLC

RYAN DELGADO
New York State
AFL-CIO

SEAN A. GRAHAM
Senior Investment Officer
Cornell University

NAVNEET KATHURIA, M.D.
Chief Medical Officer
Community Health Network



DR. DENNIS KESSLER, S.J.D.
Co-Owner, Kessler Restaurants, Clinical Professor of Entrepreneurship, University of Rochester Simon School of Business

CHARLES B. MACLEOD
Principal/Owner
SMM Advertising

SCOTT B. MELVIN
Executive Deputy Commissioner
New York State Department of Labor

BHAKTI MIRCHANDANI
Director
Responsible Investing
Trinity Church Wall Street

LOUIS J. ROBERTI JR.
Owner
Arroway Ford/Arroway Tractor

ALEXIS E. THOMAS
CEO and Founder
Preston Hollow Consultants

MESSAGE FROM THE EXECUTIVE DIRECTOR & CEO

Gaurav Vasisht

As we emerged from a global health pandemic, NYSIF trained its focus on the road ahead. We listened to our policyholders and developed products and services that address their ongoing workers' compensation and disability benefits insurance needs and will remain relevant for the future of their businesses. At the same time, these innovations and enhancements made it easier for our policyholders to do business with us.

Leveraging policyholder and NYSIF business input, we developed more intuitive, user-friendly solutions for policyholders to easily manage their policies, including online enhancements and simplified premium processing. These enhancements are expected to increase our operational efficiency by greatly reducing administrative work, meaning faster turnaround times for our policyholders, injured workers and other claimants.

We also introduced new value-added services, available to policyholders at no additional cost, which support worker well-being and promote workplace safety.

For NYSIF, the way forward is driven by our ultimate objective to be New York's best workers' compensation and disability benefits insurance provider — all achieved with a relentless and unwavering focus on customer service.

A SOLID FINANCIAL FOUNDATION

Throughout 2021, our financial performance and that of our policyholders demonstrated signs of a recovery from the impacts of COVID-19.

In 2020, at the height of the pandemic, we initiated programs and services to help our policyholders get their businesses up and running safely as soon as possible. Helping our policyholders recover from the financial effects of COVID-19 was a priority. Recognizing the potential for elevated claims due to the pandemic, NYSIF recorded appropriate reserves and allowances.

In 2021, we were able to release some of these reserves related to COVID-19. And, in many instances, policyholders were able to resume premium and audit bill payments, having benefited from NYSIF programs to suspend cancellations and extend payment terms.

We continually monitor the quality of our investments to ensure we can pay benefits to injured workers and keep policyholders' premiums affordable. Our strong financial performance also enabled us to provide discounts and dividends to many policyholders.

MOVING FORWARD

Through it all, NYSIF staff performed with the highest degree of professionalism, empathy and consideration for our customers.

It is my honor to work with such a highly motivated, knowledgeable and committed team of employees.

Gaurav Vasisht
Executive Director & CEO
NYSIF

NYSIF EXECUTIVE STAFF

GAURAV VASISHT
Executive Director & CEO

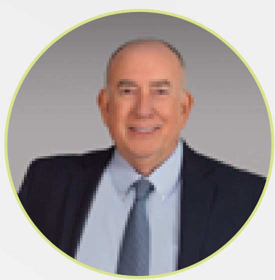
JOSEPH MULLEN
Deputy Executive Director

PETER CUSICK
Director of Claims Business Operations

JOHN DEFAZIO
Director of Policyholder Services Business Operations

JAMES FIEDLER
Acting General Attorney

GREGORY FRANCIS
Chief Investment Officer



WILLIAM GRATRIX
Chief Financial Officer

CHARLOTTE GRIFFIN
Chief Information Officer

DAVID JACOBSON
Director of Communications

MELISSA JENSEN
Director, Executive Project Management Office

TIM KOESTER
Chief Actuary

CHAD LOSHBAUGH
Director of Administration

KRISTIN MARKWICA
Director, Disability Benefits and Paid Family Leave

CUSTOMER SERVICE ENHANCEMENTS

NYSIF develops products and services that address our customers' needs and make it easier for them to do business with us. We constantly look for ways to improve these programs to better serve our policyholders.

To assist employers looking for coverage, **we added third-party data to our auto quote process.** NYSIF Auto Quote provides instantaneous workers' compensation insurance quotes to potential policyholders identified as low risk. The additional information helped increase the number of customers now eligible to receive an instant quote. It also reduced the amount of data customers must enter manually. This upgrade enables our auto quote process to better recognize applicants who deserve discounted pricing. We also started reaching out to potential policyholders and brokers who began, but did not complete, an insurance quote to see if we could answer any questions and offer assistance. Since this program began, NYSIF staff have helped more than 600 customers obtain new workers' compensation insurance policies.

Although we resumed onsite payroll verifications, NYSIF continued a program we implemented during the height of the coronavirus pandemic to **offer virtual audits as a convenient option for our policyholders.** To facilitate this process, NYSIF made significant enhancements to our online Premium Audit Scheduling System (PASS) to enable policyholders and their representatives to use this method to schedule virtual audits.

NYSIF realizes that after we complete an audit, policyholders want to know as soon as possible how the audit will affect their premium bill. Our revised exit interview form compares the total estimated premium, which we provided at the beginning of the policy period, with the total audited premium and shows the difference in cost. A new premium breakdown page shows how the difference in premium was calculated. **In 2021, NYSIF auditors completed more than 66,000 audits using our new exit interview form.**

> **“You went above and beyond to explain the audit process to me, and for that I truly thank you. In my experience, not a lot of people go out of their way to help others like you have with revising my workers' comp policy. Your effort resulted in serious savings to me and my company, and for that I am grateful.”**
>
> — **Workers' comp policyholder**

Enhancements to PAYGO, our pay-as-you-go premium payment service, now allow eligible policyholders to enroll at any time during their policy year. **PAYGO calculates premium during the year based on actual payroll and allows customers to make electronic payments of the associated premium.** Previously, customers could only enroll in PAYGO as a new policyholder or on the policy renewal date. These updates provide greater flexibility for policyholders to pay their premium based on payroll generated during the pay period and can aid in cash management and cost control.

We continue to work hard to respond to policyholder needs and concerns. When a customer needs to speak with us, we strive to quickly answer their call and provide the information they need. Our customer service call center achieved a 99% answer rate and an average hold time of less than 20 seconds. Enhancements to our Interactive Voice Response (IVR) system also helped customers get to the right place the first time they called so that 69% of callers never had to speak to our customer service staff to get the answer they needed.

> **“I can honestly say this was the best customer service experience I’ve had in the past decade.”**
>
> — **Disability benefits policyholder**

DEPLOYING TECHNOLOGY

NYSIF deploys technology to consistently improve the products and services we provide our customers. Technological enhancements helped streamline our workers’ compensation and disability benefits premium payment process and improve financial controls. They also enabled medical providers to quickly create online accounts and track payments. The upgrades reduced staff time required to perform these tasks manually and accelerated payment processing, which helps reduce late fees, past due bills, cancellations and phone inquiries.

Our ongoing digital transformation means disability benefits policyholders can now create certificates verifying proof of insurance online for the upcoming policy period up to 45 days in advance of the renewal date.

VALUE-ADDED SERVICES

The NYSIF Risk Control Department takes a collaborative approach to providing services to help policyholders identify, control and eliminate workplace hazards and key loss drivers to reduce the frequency and severity of painful and costly workplace injuries.

We have made significant strides in this area. Our Risk Control consultants continued to broaden their knowledge and strengthen their skills and training as they worked with policyholders to minimize risks and maximize worker safety.

Twenty-four NYSIF Risk Control consultants received an Associate Safety Professional certification. This nationally — and internationally — accredited safety credential certifies that our consultants demonstrate an elevated level of competency in a wide range of safety knowledge areas. One consultant earned a more in-depth certification as a Certified Safety Professional.

We also began offering the service of an industrial hygienist to policyholders. Through this value-added service, we assisted policyholders by conducting air quality checks to gauge the impact of asbestos and other onsite hazardous materials and developing risk management plans to help protect the surrounding community, workers and emergency responders from dangers related to exposure to hazardous substances at job sites.

This adds to a suite of risk management services available to our policyholders at no additional cost, including safety inspections to identify hazardous conditions and recommendations on how to correct unsafe work conditions, onsite and virtual employee safety training, educational resources and safety committee and safety program development. NYSIF also aids policyholders in setting up safe patient handling programs by offering 10- and 30-hour US Occupational Safety and Health Administration (OSHA) safety training certificate courses, as well as Code Rule 59 comprehensive safety and loss prevention program consultations and compliance evaluations.

> “Your willingness to share important information for the safety and well-being of our staff, to deliver trainings and to support us in any way possible has really been tremendous. **I want you to know that I appreciate you and the work that you do.**”
>
> — **Workers’ comp policyholder**

BUSINESS INNOVATION

NYSIF's new Risk Control Resource Center is an online safety resource and training portal developed to help policyholders keep their employees safe. Through the portal, NYSIF online account holders have access to a library of valuable information, tools and training, including:

- **Downloadable, industry-specific safety manuals**
- **Tips on how to manage accidents and injuries**
- **Online safety classes for employees**
- **Employee training videos**
- **Ergonomic and hazard communication resources/training materials**

Employers can assign safety classes to their employees and track completion. Businesses can also request site inspections, safety consultations and other value-added risk control services at no additional cost. The Risk Control Resource Center is one of the many innovations NYSIF has developed to support businesses.

> **"I am all set up with the safety videos. I love it [the Risk Control Resource Center]! I just need to invite the employees and help them get set up. I watched several of the videos yesterday and this will be a perfect fit for our company."**
>
> **— Workers' comp policyholder**

POLICYHOLDER RELIEF

Throughout the coronavirus pandemic, we were there for our policyholders, front-line workers and families, providing much-needed relief during a difficult time. Our program to suspend charging interest on premium audit balances during the height of the pandemic gave policyholders an opportunity to focus on reopening their businesses. New initiatives provided rebates on the purchase of personal protective equipment to help safeguard employees and educate policyholders and their employees about safe return-to-work practices.

Safety groups, NYSIF's unique approach to risk pooling, are one of the best ways policyholders can enjoy huge savings on their insurance premiums while maintaining safe workplaces. We increased our safety group discounts, permitting eligible safety groups to offer their members up to an additional 10% cost savings. As a result, qualified safety groups were able to provide their members with an advance discount of as much as 30% to reduce insurance premiums.

NYSIF also introduced a revised preferred risk discount program for new business in our safety groups. The program offers up to a 35% upfront discount for qualified safety group new business, regardless of the group's advance discount. Qualified policyholders can now benefit from the higher discount both as a new policyholder and for their policy renewal.

THESE PROGRAMS HELPED NYSIF RETURN MORE THAN $553 MILLION TO ITS POLICYHOLDERS IN 2021.

WORKER WELFARE AND WELL-BEING

In 2021, NYSIF managed more than 108,000 workers' compensation claims during the year. The NYSIF Claims Department exceeded the industry benchmark with a claims closure rate of 108% for 2021. **Our Claims staff issued timely initial payments on 96% of our new claims,** demonstrating NYSIF's commitment to ensuring claimants receive benefits as soon as possible while they are out of work.

Last year also was the final year of a four-year, phased-in plan for the maximum benefit period and benefit amount for Paid Family Leave (PFL) in New York. NYSIF staff processed more than 6,500 PFL claims in 2021. Feedback about PFL benefits continues to be overwhelmingly positive. A PFL recipient who requested leave to care for their terminally ill father praised the NYSIF case manager: "What he did to help me took the weight of the world off my shoulders so I can return to caring for my father in this difficult moment."

> **"I would like to thank you and the team at the NYSIF for making this transition to disability insurance go as well as it has. I have indeed used the system and with the support of the help desk was able to sign up for direct deposit."**
>
> — **Disability benefits claimant**

SUSTAINING LONG-TERM RELATIONSHIPS

NYSIF believes long-standing policyholder relationships are a hallmark of our competitive pricing and excellent customer service. We are proud of the decades-long relationships we have with policyholders, some of which have endured for a century. We are grateful for the trust our customers have placed in us, and we fight to earn their business every day.

NYSIF is proud to celebrate our more-than-100-year relationship with the Braun Brush Company of Albertson, NY, which has been our esteemed policyholder since 1919.

Canandaigua Cemetery Association, Canandaigua, NY

Roberts Funeral Home, Wellsburg, NY

Loomis, Offers & Loomis Inc., Buffalo, NY

International Brotherhood of Electrical Workers Local 41, Orchard Park, NY

Moffat Library, Washingtonville, NY

Belmont Literary & Historical Society, Belmont, NY

HERE TODAY, PREPARING FOR TOMORROW

NYSIF continually assesses ways to improve our customers' experience and ensure they receive the highest level of value from their NYSIF insurance policies. **We challenge ourselves every day to raise the bar and develop and implement the products and services our policyholders need.**

In addition to being the state's largest workers' comp insurance provider, NYSIF ranks among the 10 largest workers' compensation insurance carriers in the US. When we ask ourselves, "How can we be better?", we want to ensure that every New York State employer understands how we personify the NYSIF Advantage: We know workers' compensation, disability benefits and paid family leave insurance because that is all we do.

THE NYSIF ADVANTAGE:

We know workers' compensation, disability benefits and paid family leave insurance because that's all we do.

STATE INSURANCE FUND
WORKERS' COMPENSATION FUND

STATUTORY BASIS FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2021 and 2020

STATUTORY BASIS SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2021
AND INDEPENDENT AUDITORS' REPORT

STATE INSURANCE FUND
WORKERS' COMPENSATION FUND

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
The State Insurance Fund Workers' Compensation Fund
New York, New York

Report on the Statutory Basis Financial Statements

Opinion

We have audited the statutory basis financial statements of the State Insurance Fund Workers' Compensation Fund, which comprise the statutory statements of admitted assets, liabilities and surplus as of December 31, 2021 and 2020, and the related statutory statements of income, surplus, and cash flows for the years then ended, and the related notes to the statutory basis financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying statutory basis financial statements present fairly, in all material respects, the admitted assets, liabilities and surplus of State Insurance Fund Workers' Compensation Fund as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended on the basis of accounting described in Note 2A.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the statutory basis financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of State Insurance Fund Workers' Compensation Fund as of December 31, 2021 and 2020, or the results of its operations or its cash flows for the years then ended.

Basis for Opinion

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

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

As described in Note 2A of the statutory basis financial statements, the statutory basis financial statements are prepared by State Insurance Fund Workers' Compensation Fund on the basis of accounting practices prescribed or permitted by the Insurance Department of the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New York State Department of Financial Services. The effects on the statutory basis financial statements of the variances between the regulatory basis of accounting described in Note 2A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As described in Note 2A of the statutory basis financial statements, the State Insurance Fund Workers' Compensation Fund has significant prescribed accounting practices that are mandated by New York State Workers' Compensation Law in accordance with the financial reporting provisions of the New York State Department of Financial Services.

Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statutory basis financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 18, 2022

STATE INSURANCE FUND
WORKERS' COMPENSATION FUND

Statutory Basis Statements of Admitted Assets, Liabilities and Surplus
As of December 31, 2021 and 2020
(in thousands)

	2021	2020
Admitted assets		
Cash and invested assets:		
Bonds—at NAIC carrying value	**$ 17,798,893**	$ 17,269,891
Common stocks	**2,051,036**	1,842,300
Real estate	**108,041**	104,824
Cash, cash equivalents and short-term investments	**488,892**	447,659
Receivables for securities and security lending reinvested collateral assets	**119,323**	117,871
Total cash and invested assets	**20,566,185**	19,782,545
Premium receivables	**111,690**	48,113
Accrued investment income	**108,710**	110,812
Due from affiliates	**18,765**	20,933
Other admitted assets	**5,789**	7,886
Contingent receivable from New York State	**1,295,000**	1,295,000
Total admitted assets	**$ 22,106,139**	$ 21,265,289
Liabilities and surplus		
Liabilities:		
Reserve for losses	**$ 9,007,464**	$ 9,128,040
Reserve for loss adjustment expenses	**886,014**	904,117
Unearned premiums	**303,070**	314,841
Contingent policyholder dividends	**1,788,930**	1,622,546
Payables for securities and securities lending	**171,573**	124,806
Accrued expenses and other liabilities	**213,659**	217,401
Total liabilities	**12,370,710**	12,311,751
Surplus:		
Appropriated surplus funds:		
Security fluctuation surplus	**1,790,000**	1,980,000
Catastrophe surplus	**399,561**	399,561
Foreign terrorism catastrophe surplus	**727,796**	689,833
Domestic terrorism catastrophe surplus	**136,060**	129,466
Appropriation postemployment benefits	**645,825**	918,665
Unassigned surplus	**6,036,187**	4,836,013
Total surplus	**9,735,429**	8,953,538
Total liabilities and surplus	**$ 22,106,139**	$ 21,265,289

See accompanying notes to statutory basis financial statements.

STATE INSURANCE FUND
WORKERS' COMPENSATION FUND

Statutory Basis Statements of Income
As of December 31, 2021 and 2020
(in thousands)

	2021	2020
Underwriting income:		
Net written premium	**$ 1,733,104**	$ 1,610,727
Net earned premium	**$ 1,798,082**	$ 1,583,243
Underwriting expenses:		
Losses incurred	**1,087,978**	1,234,455
Loss adjustment expenses incurred	**175,538**	175,224
Other underwriting expenses incurred	**186,521**	171,537
Total underwriting expenses	**1,450,037**	1,581,216
Net underwriting profit	**348,045**	2,027
Investment income earned:		
Investment income	**516,412**	550,091
Investment expenses	**(40,522)**	(36,698)
Net realized capital gains	**247,197**	561,294
Net investment income earned	**723,087**	1,074,687
Other income (expenses):		
Bad debt expense	**(111,209)**	(339,767)
Finance and service charges	**32,014**	8,139
Miscellaneous income	**3,074**	3,242
Dividend expense to policyholders	**(336,208)**	(180,422)
Total other expenses	**(412,329)**	(508,808)
Net income	**$ 658,803**	$ 567,906

See accompanying notes to statutory basis financial statements.

STATE INSURANCE FUND
WORKERS' COMPENSATION FUND

Statutory Basis Statements of Surplus
For the Years Ended December 31, 2021 and 2020
(in thousands)

	Appropriated Surplus Funds						
	Security Fluctuation Surplus	Catastrophe Surplus	Foreign Terrorism Catastrophe Surplus	Domestic Terrorism Catastrophe Surplus	Appropriation Postemployment Benefits	Unassigned Surplus	Total Surplus
Balance—January 1, 2020	$ 1,600,000	$ 399,561	$ 648,973	$ 122,275	$ 696,843	$ 4,737,368	$ 8,205,020
Net income	-	-	-	-	-	567,906	567,906
Change in net unrealized capital gain - investments	-	-	-	-	-	52,098	52,098
Increase in nonadmitted assets	-	-	-	-	-	128,514	128,514
Appropriation of unassigned to (from) appropriated surplus	380,000	-	40,860	7,191	221,822	(649,873)	-
Balance—December 31, 2020	1,980,000	399,561	689,833	129,466	918,665	4,836,013	8,953,538
Net income	-	-	-	-	-	658,803	658,803
Change in net unrealized capital gain - investments	-	-	-	-	-	195,294	195,294
Increase in nonadmitted assets	-	-	-	-	-	(72,206)	(72,206)
Appropriation of unassigned to (from) appropriated surplus	(190,000)	-	37,963	6,594	(272,840)	418,283	-
Balance—December 31, 2021	**$ 1,790,000**	**$ 399,561**	**$ 727,796**	**$ 136,060**	**$ 645,825**	**$ 6,036,187**	**$ 9,735,429**

See accompanying notes to statutory basis financial statements.

STATE INSURANCE FUND
WORKERS' COMPENSATION FUND

Statutory Basis Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020
(in thousands)

	2021	2020
Cash flows from operations:		
Premiums collected, net of reinsurance	**$ 1,646,935**	$ 1,748,864
Net investment income	**525,163**	539,830
Miscellaneous expense	**(76,132)**	(328,469)
Losses and loss adjustment expenses paid, net of salvage and subrogation	**(1,208,554)**	(1,204,974)
Expenses paid	**(379,564)**	(325,444)
Dividends paid to policyholders	**(169,824)**	(194,558)
Net cash provided by operations	**338,024**	235,249
Cash flows from investments:		
Proceeds from investments sold, matured or repaid	**5,248,921**	6,606,699
Cost of investments acquired	**(5,541,621)**	(6,861,774)
Other applications	**-**	(6,293)
Net cash used in investments	**(292,700)**	(261,368)
Net cash flows from other sources	**(4,091)**	(55,006)
Net cash (used in) provided by other sources	**(4,091)**	(55,006)
Net change in cash, cash equivalents and short-term investments	**41,233**	(81,125)
Cash, cash equivalents and short-term investments: Beginning of year	**447,659**	528,784
Cash, cash equivalents and short-term investments: End of year	**$ 488,892**	$ 447,659

See accompanying notes to statutory basis financial statements.

Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2021 and 2020
(in thousands)

NOTE 1 - ORGANIZATION AND PURPOSE

The New York State Insurance Fund ("NYSIF"), which includes the operations of the Workers' Compensation Fund ("WCF") and the Disability Benefits Fund ("DBF"), is a nonprofit agency of the State of New York (the "State"). NYSIF also administers the Aggregate Trust Fund ("ATF"). By statute, NYSIF maintains separate records for each fund.

In *Methodist Hospital of Brooklyn v. State Insurance Fund (1985)*, The New York State Court of Appeals held that NYSIF is "a State agency for all of whose liabilities the State is responsible".

The home office properties are occupied jointly by all three funds. Because of this relationship, WCF incurs joint operating expenses subject to allocation based on the level of services provided. Management believes the method of allocating such expenses is fair and reasonable. WCF allocates the cost of services rendered to DBF based on a percentage of DBF employees, salaries and square footage occupied. There is no direct allocation charged to ATF. A flat fee of either 3% or 6% of losses paid is charged by WCF, dependent upon the date of the award (refer to Note 8).

Workers' compensation insurance covers job-related disabilities and includes the cost of medical treatment.

WCF also administers the Workers' Compensation Program for the State, which self-insures.

WCF has exposure to catastrophes, which are an inherent risk of the property/casualty insurance business, which have contributed, and may contribute, to material year-to-year fluctuations in WCF's results of operations and financial position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The accompanying statutory basis financial statements of WCF are presented in conformity with accounting practices prescribed by the New York State Department of Financial Services ("DFS"). DFS recognizes only New York Statutory Accounting Practices ("NY SAP") for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under New York State Insurance Law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP"), effective January 1, 2001 and subsequent revisions, have been adopted as a component of NY SAP.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NAIC SAP and NY SAP:

The State has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Such differences are identified herein as NY SAP where applicable. Specifically, Electronic Data Processing ("EDP") and related equipment, constituting a data processing, record keeping or accounting system with a cost of $50 and greater shall be depreciated over a period not to exceed 10 years under NY SAP.

In addition, the Superintendent of DFS has the right to permit other specific practices that may deviate from prescribed practices. WCF, as mandated by New York State Workers' Compensation Law, discounts all loss and loss adjustment expense reserves at 5%, and is not required to calculate Risk Based Capital and records the contingent receivable from the State as an admitted asset.

WCF discounts all reserves, including pension and non-pension reserves, for loss and loss adjustment expenses at 5%. If no discounting was used, statutory surplus would decrease by $6,402,740 and $6,599,003 as of December 31, 2021 and 2020. If the contingent receivable from the State was not prescribed as an admitted asset, total statutory surplus would decrease by $1,295,000 as of both December 31, 2021 and 2020.

The cumulative effect of prescribed practices by NY SAP or as mandated by New York State Workers' Compensation Law on WCF's total surplus and net income for the years ended December 31, 2021 and 2020 is as follows:

(in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NAIC SAP and NY SAP: (continued)

	2021	2020
Surplus		
Total surplus as shown on statutory statements - NY SAP	$ 9,735,429	$ 8,953,538
Discounting of loss and loss adjustment expense reserves at 5%	(6,402,740)	(6,599,003)
Add back tabular discount at 3.5% on pension reserves	2,050,812	2,133,038
Contingent receivable from State of New York	(1,295,000)	(1,295,000)
Total cumulative effect	(5,646,928)	(5,760,965)
Total adjusted surplus - NAIC SAP	$ 4,088,501	$ 3,192,573
Net Income		
Total net income as shown on statutory statements - NY SAP	$ 658,803	$ 567,906
Discounting of loss and loss adjustment expense reserves at 5%	196,263	69,736
Tabular discount at 3.5% on pension reserves	(82,226)	(81,816)
Total cumulative effect	114,037	(12,080)
Total adjusted net income - NAIC SAP	$ 772,840	$ 555,826

Differences between NY SAP and U.S. GAAP:

The accounting practices and procedures of NY SAP and NAIC SAP (collectively referred to as "SAP") comprise a comprehensive basis of accounting other than generally accepted accounting principles in the United States ("U.S. GAAP"). The more significant differences between SAP and U.S. GAAP, which are applicable to WCF, are set forth below:

a. Bonds are generally carried at amortized cost. Under U.S. GAAP, such securities are classified into "held to maturity" and reported at amortized cost, or "trading" and reported at fair value with unrealized gains and losses included in earnings, or "available for sale" and reported at fair value with unrealized gains and losses reported as a separate component of surplus.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NY SAP and U.S. GAAP: (continued)

All single class and multi-class mortgage-backed/asset-backed securities are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using either the retrospective or prospective methods. If it is determined that a decline in fair value is other-than-temporary, the cost basis of the security is written down to the discounted estimated future cash flows.

Under U.S. GAAP, all securities, purchased or retained, that represent beneficial interests in securitized assets (e.g., collateralized mortgage obligations or asset-backed securities), other than high-credit quality securities, are adjusted using the prospective method when there is a change in estimated future cash flows. If it is determined that a decline in fair value is other-than-temporary, the cost basis of the security is written down to the discounted fair value.

b. Common stocks are reported at fair value, as determined by the NAIC's Securities Valuation Office (“SVO”) and other independent pricing sources and the related net unrealized capital gains and losses are reported in unassigned surplus. Under U.S. GAAP, common stocks are reported at fair value with unrealized gains and losses included in earnings.

c. Cash and short-term investments in the statutory basis statements of cash flows represent cash balances and investments with initial maturities of one year or less. Under U.S. GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

d. Policy acquisition costs (principally underwriting and marketing related costs) are expensed as incurred, whereas under U.S. GAAP, these costs are capitalized and amortized to income on the same basis as premium income is recognized.

e. WCF records written premiums when billed to policyholders and earns the related income over the life of the policy. Under U.S. GAAP, premiums would be recognized as written premium on the effective date of the policy and earned over the life of the policy.

f. Certain assets designated as non-admitted assets (principally premiums in the course of collection outstanding over 90 days, prepaid expenses, 10% of earned but unbilled premium and office furniture and equipment) are charged directly against surplus. Under U.S. GAAP, such non-admitted assets would be included in total assets, less valuation allowances.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NY SAP and U.S. GAAP: (continued)

g. EDP and related equipment with a cost of $2 and greater are depreciated over an estimated useful life of up to three years. Under U.S. GAAP, all EDP and related equipment would be recorded as assets, less accumulated depreciation over their useful lives.

h. WCF's contingent receivable (Note 6) of $1,295,000 from the State does not have a due date. This contingent receivable is carried at the amount transferred to the State without consideration for collectability or imputed interest. Under U.S. GAAP, such an amount would be excluded from the balance sheet.

i. As mandated by New York State Workers' Compensation Law, reserves for losses and loss adjustment expenses are discounted to their present value using an annual effective interest rate of 5% during 2021 and 2020. Under U.S. GAAP, the interest rate would be based on market rates and earnings expectations.

j. An appropriation of surplus for security fluctuations has been established for the difference between the amortized cost of securities and their fair value. Such an appropriation is established for future contingencies, rather than allocated to specific investments. In addition, a reasonable portion of unassigned surplus has been established as an appropriation for catastrophes, terrorism and for postemployment benefits.

k. For real estate owned and occupied by NYSIF, rental income and corresponding rental expense is recorded. Under U.S. GAAP, no such income or expense is recorded.

l. The balance sheet under SAP is reported net of reinsurance, while under U.S. GAAP, the balance sheet reports reinsurance recoverables, including amounts related to ceded losses incurred but not reported and prepaid reinsurance premiums, as an asset.

m. Comprehensive income and its components are not presented in the statutory basis financial statements.

n. The net amount of all cash accounts is reported jointly. Cash accounts with positive balances are not reported separately from cash accounts with negative balances. If in the aggregate, the reporting entity has a net negative cash balance, it is reported as a negative asset. Under U.S. GAAP, positive cash balances are reported as assets while net negative cash balances are reported as liabilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NY SAP and U.S. GAAP: (continued)

o. The aggregate effect of the foregoing differences between NY SAP and U.S. GAAP on the accompanying statutory basis financial statements has not been determined, however, it is presumed to be material.

B. Investments:

Investments are generally valued in accordance with the valuation procedures of the NAIC.

Bonds are valued in accordance with the requirements of the NAIC's SVO. Bonds are principally carried at amortized cost. Discount or premium on bonds is amortized using the scientific method, which is a variation of the effective interest method. Short-term investments consist of bonds purchased within a year of the maturity date which are stated at amortized cost. Market value is primarily based on market prices obtained from the SVO and JPMorgan Chase.

For mortgage-backed fixed maturity securities, WCF recognizes income using constant effective yield method based on anticipated prepayments over the economic life of the security. Mortgage-backed securities are accounted for by the retrospective method and prepayment assumptions are based on market conditions. When actual payments differ significantly from anticipated prepayments, the effective yield is recalculated to reflect actual payments to date and anticipated future payments, and any resulting adjustment is included in net investment income.

Common stocks are carried at fair value, which is obtained from JPMorgan Chase and other pricing sources. Unrealized gain or loss for common stocks is the change in fair value from the prior year-end and is reflected as a separate component of unassigned surplus. Realized gains and losses are calculated based on the difference between cost and the consideration received at the time of sale and are included in the statutory basis statements of income.

Receivable and payable for securities represent sales and purchases of securities that are unsettled at year-end.

Realized gains and losses on the sale of investments are calculated based on the difference between the carrying value and the consideration received at the time of sale and are included in the statutory basis statements of income.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Investments: (continued)

Investment income earned consists primarily of interest and dividends. Interest is recognized on an accrual basis and dividends are recorded as earned at the ex-dividend date. Interest income on mortgage-backed and asset-backed securities is determined on the effective yield method based on estimated principal repayments. Accrual of income is suspended for bonds and mortgage loans that are in default or when the receipt of interest payments is in doubt. Realized capital gains and losses are determined using the first-in, first-out method.

An investment in a debt or equity security is impaired if its fair value falls below book value and the decline is considered other-than-temporary. Factors considered in determining whether a loss is other-than-temporary include the length of time and extent to which fair value has been below cost, the financial condition and near-term prospects of the issuer, and WCF's ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery. A debt security is impaired if it is probable that WCF will not be able to collect all the amounts due under the security contractual terms. Equity investments are impaired when it becomes apparent that WCF will not recover its cost over the expected holding period. Other-than-temporary declines in fair value of investments are included in realized losses. The amount recorded in the statutory basis statements of income in 2021 and 2020 for realized impaired losses was $15,241 and $110,010.

C. Real Estate:

WCF records buildings at cost less accumulated depreciation calculated over an estimated useful life of 25 years, using the straight-line method. All property owned by NYSIF is used primarily for its own operations. In accordance with statutory accounting practices, WCF records both rental income and rental expense for office space occupied in buildings owned by NYSIF. The amount of related rental income and expense recorded in the statutory basis statements of income in 2021 and 2020 was $15,558 and $14,204.

Maintenance and repairs are charged to expense as incurred.

D. Premium Revenue and Related Accounts:

WCF records written premiums when billed to policyholders and earns the related income over the life of the policy.

WCF records premium receivables as an admitted asset if the following three conditions are met: (1) a bill for the premium amount is no more than 90 days past due, (2) the bill date is within six months after the expiration of the policy year, and (3) no other bill for the same policy is considered non-admitted.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Premium Revenue and Related Accounts: (continued)

At December 31, 2021 and 2020, the outstanding premium receivable balance is stated net of $95,595 and $24,554 of non-admitted amounts. WCF routinely assesses the collectability of receivables and establishes an appropriate allowance at each year end. Based on WCF's analysis, $111,209 and $339,767 are recorded as bad debt expense in the statutory basis statements of income for the years ended December 31, 2021 and 2020.

For WCF, unearned premiums represent the pro-rata portion of premiums and endorsements billed that are applicable to the unexpired terms of policies in force at year-end.

The estimate for earned but unbilled premium ("EBUB") is recognized through the statutory basis statements of income as an adjustment to premium earned. EBUB premium represents in-force and auditable policies on which premium has been earned but not yet been billed to the insured. Ten percent of EBUB, in excess of collateral specifically held as identifiable on a policy basis, is non-admitted.

E. Expenses of Workers' Compensation Board ("WCB"):

WCF carried a liability of $12,177 and $6,645 related to assessment payables due to the Workers' Compensation Board as of December 31, 2021 and 2020.

F. Reserves for Losses and Loss Adjustment Expenses:

The reserves for losses and loss adjustment expenses ("LAE") for WCF are based on individual case estimates and formula reserves. Additional reserves are provided for losses incurred but not reported ("IBNR") based on past experience, modified for current trends.

The reserves for losses and loss adjustment expenses of WCF are discounted to present value using an annual effective rate of interest of 5%. The liability for losses and loss adjustment expenses of WCF has been reduced by $6,402,740 and $6,599,003 as of December 31, 2021 and 2020, as a result of the 5% discounting. This accounting practice is mandated by Section 86 of the New York State Workers' Compensation Law.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Reserves for Losses and Loss Adjustment Expenses: (continued)

Loss and loss adjustment expense reserves are significant in relation to surplus and there are a number of factors that contribute to uncertainties in the timing and amount of future payments including: the long-tailed nature of workers compensation claims, the rate of inflation on medical costs, the impact of changes in New York State Workers' Compensation law made in 2007, discounting of reserves, and the impact of the COVID-19 pandemic.

WCF's reserves for losses and loss adjustment expenses are estimated by using generally accepted actuarial procedures and include consideration for the impact of the factors outlined above. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined. An independent actuarial consulting firm reviews the estimated liability. WCF's management believes that the assumptions used in determining this liability are reasonable and that the amount recorded represents its best estimate of the ultimate cost of investigating, defending and settling claims.

WCF's actual future experience may not conform to the assumptions inherent in the determination of the liability. Accordingly, the ultimate settlement value may vary materially from the amounts included in the statutory basis financial statements.

Amounts relating to New York State losses and defense and cost containment expenses have been excluded from the financial statements. New York State reimburses NYSIF for losses, defense and cost containment and a portion of adjusting and other expenses paid. There are no underwriting expenses incurred by NYSIF related to New York State claims (see Note 8).

G. Postemployment Fringe Benefits - Pension:

All employees of WCF are eligible to be covered under a retirement plan administered by the New York State Employees Retirement System. For employees hired prior to July 27, 1976, the plan is noncontributory. For employees hired on or after July 27, 1976, but before 2015, the plan is partially contributory in the first ten years of employment and noncontributory thereafter. For employees hired on and after January 1, 2015, the plan is partially contributory for the entire term of employment.

(in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Postemployment Fringe Benefits - Pension: (continued)

WCF has determined it is not directly liable for this obligation and as such, in accordance with SSAP No. 102, *Pensions,* WCF records its obligation based on amounts billed by the State. WCF records the difference between amounts billed by the State and amounts paid to the State as a liability or prepaid asset. WCF has a prepaid asset for pension benefits in the amount of $6,332 and $5,636 as of December 31, 2021 and 2020.

Based on actual costs billed by various State agencies, WCF incurred $76,066 and $71,372 of fringe benefits and indirect costs in 2021 and 2020, recorded in other underwriting expenses in the statutory basis statements of income.

WCF also estimates a contingent liability for the net pension obligation as of December 31 of each calendar year based on the State's latest available Actuarial Valuation Report, which is as of March 31 of the same calendar year.

During the years ended December 31, 2021 and 2020, WCF appropriated surplus to provide for the net pension obligation costs as permitted by SSAP No. 72, *Surplus and Quasi-Reorganizations.* Future obligations may vary significantly due to potential future changes in various key assumptions, such as WCF's ultimate allocated share of the obligation, investment earning and actuarial projections. WCF updates the estimate each year-end.

At December 31, 2021 and 2020, WCF's pro-rata portion of its New York State Employees' net pension obligation was $451 and $131,375. The pension obligation was measured by the State as of March 31, 2021 and 2020, with WCF's portion of the obligation based on a ratio of its employees to State employees. At March 31, 2021 and 2020, WCF's approximate proportionate share was 0.455 % and 0.497%.

The activity in the appropriated surplus for pension benefits during 2021 and 2020 is as follows:

	2021	2020
Balance, beginning of year	**$ 131,375**	$ 37,163
Current year appropriation	**(130,924)**	94,212
Balance, end of year	**$ 451**	$ 131,375

In 2021 and 2020, WCF recorded pension expense of $24,424 and $22,524.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Postemployment Fringe Benefits – Other Postemployment Benefits:

WCF's employees are employees of the State. New York State Civil Service Law, Section 163.2, provides for health insurance coverage for retired employees of WCF including their spouses and dependent children ("The State Plan"). Eligibility is determined by the membership in the New York State and Local Employees' Retirement System, enrollment in the New York State Health Insurance Program ("NYSHIP") at the time of retirement, and the completion of a minimum number of years of service as required by the employees' membership tier in the retirement system.

The State's Actuarial Valuation Reports are prepared as of March 31 (the State's fiscal year end) and segregate balances relating to the various state agencies, including NYSIF, under GASB 75.

NYSIF, in the course of business, reimburses the State for certain Other Postemployment Benefits ("OPEB") related charges under the State's Plan. Under SSAP No. 92, *Postretirement Benefits Other Than Pensions,* WCF estimates its Normal Cost as of December 31 of each calendar year based on the State's latest available Actuarial Valuation Report, which is as of March 31 of the same calendar year.

WCF carries its net OPEB obligation (i.e., the Normal Cost less the amount WCF has funded to the State for retirees) as a liability. WCF recognizes in the statement of income only its annual Normal Cost, as this is WCF's current year expense for the plan for the period, in accordance with statutory accounting principles.

Projected benefits for financial reporting purposes are based on the State's actuarial calculations and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial calculations reflect a long-term perspective. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. WCF maintains an appropriated surplus account to provide for the portion of the contingency for OPEB costs that have not already been recognized as a net OPEB obligation, as permitted by SSAP No. 72, *Surplus and Quasi-Reorganizations.* Future obligations may vary significantly due to potential future changes in various key assumptions, such as WCF's ultimate allocated share of the liability, discount rate used to develop the present value of future benefits, healthcare inflation, projected healthcare claims, and the likelihood an employee retires, elects healthcare coverage, and survives after retirement. WCF updates the estimate each year-end.

(in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Postemployment Fringe Benefits – Other Postemployment Benefits: (continued)

The activity in the appropriated surplus for postemployment benefits during 2021 and 2020 is as follows:

	2021	2020
Balance, beginning of year	**$ 787,290**	$ 659,680
Current year appropriation	**(141,916)**	127,610
Balance, end of year	**$ 645,374**	$ 787,290

The following table shows the components of WCF's assigned values relating to OPEB expense (normal cost) under the State's plan, the amount credited to the plan, and changes in the net OPEB obligation as of December 31, 2021 and 2020:

	2021	2020
Net OPEB obligation, beginning of year	**$ 61,564**	$ 60,346
Annual OPEB expense (Normal Cost)	**28,963**	22,646
Estimated contribution credit (retiree premiums paid)	**(21,558)**	(21,428)
Increase in net OPEB obligation	**7,405**	1,218
Net OPEB obligation, end of year	**$ 68,969**	$ 61,564

WCF has an accrued liability for employee' compensation for future absences in the amount of $22,345 and $21,251 as of December 31, 2021 and 2020.

I. Appropriated Surplus Funds:

As described above, WCF may designate a portion of unassigned surplus to provide for contingencies as permitted under NAIC SAP.

Security fluctuation surplus

WCF decreased security fluctuation surplus to $1,790,000 as of December 31, 2021 from $1,980,000 at December 31, 2020.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Appropriated Surplus Funds: (continued)

Catastrophe surplus

The review of the catastrophe surplus in conjunction with a risk assessment of WCF's exposures resulted in WCF maintaining the catastrophe surplus at $399,651 as of December 31, 2021 and 2020.

Foreign terrorism and domestic terrorism catastrophe surplus

WCF has exposure to significant losses from terrorism. The Terrorism Risk Insurance Act of 2002, ("TRIA") was enacted into federal law and established a temporary federal program through the Department of the Treasury, providing a system of shared public and private compensation for insured losses resulting from foreign terrorism.

In order for a loss to be covered under TRIA, the loss must result from an event that is certified as an act of terrorism by the U.S. Secretary of the Treasury. If Congress has declared war, then only workers' compensation losses would be covered by TRIA. The Terrorism Insurance Program ("Terrorism Program") generally requires that all property/casualty insurers licensed in the United States participate in the Terrorism Program. The Terrorism Program became effective upon enactment, and in December 2005, was extended through December 31, 2007. In December 2007, the President signed into law the Terrorism Risk Insurance Program Reauthorization Act of 2007 ("TRIPRA"), extending TRIA for another seven years through December 31, 2014. In December 2019, the President signed into law an extension which expires December 31, 2027. TRIPRA adds domestic terrorism to the list of covered acts, triggers a year-long study of a proposal to mandate coverage for nuclear, biological, chemical and radiological attacks and retains the government's share of insured losses for a major attack at $100 billion.

Once subject losses have reached the $100 billion aggregate in a Terrorism Program year, there is no additional reimbursement from the U.S. Treasury and an insurer that has met its deductible for the Terrorism Program year is not liable for any losses (or portion thereof) that exceed the $100 billion cap. WCF is responsible for a deductible of $316,649 and $411,571 for December 31, 2021 and 2020. WCF appropriated $727,796 and $689,833 of surplus which represents the estimated premium attributable to the foreign terrorism premium charge at December 31, 2021 and 2020. Beginning on October 1, 2005, WCF began assigning a portion of premium to domestic terrorism catastrophe surplus, which totaled $136,060 and $129,466 as of December 31, 2021 and 2020.

(in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Appropriated Surplus Funds: (continued)

Pension and postemployment benefits surplus

WCF records pension and postemployment benefit expenses and estimates a contingent liability for the net obligation as of December 31 of each calendar year based on the State's latest available actuarial valuation reports (see Notes 2G and 2H).

Appropriated pension surplus decreased to $451 at December 31, 2021 from $131,375 at December 31, 2020.

Other postemployment benefits ("OPEB") appropriated surplus decreased to $645,374 as of December 31, 2021 from $787,290 at December 31, 2020.

J. Contingent Policyholder Dividends:

Section 90 of the New York State Workers' Compensation Law provides that dividends are paid to Safety Groups at the discretion of NYSIF. Safety Groups are groups of policyholders in the same industry, trade group, or association that agree to adhere to the rules of the Safety Group Program as established by NYSIF. The dividends paid by NYSIF are based on the contingent balances of the safety groups as of the most recent group accounting date. The contingent balances are calculated by adding premiums billed and applicable investment income less reported losses, expenses and previous dividends. The dividends paid during the year and the change in the contingent balance during the calendar year are reflected in the statutory basis statements of income.

Activity in contingent policyholder dividends is summarized as follows:

	2021	2020
Balance, beginning of year	**$ 1,622,546**	$ 1,636,681
Calendar year accrued Safety Group dividend liability	**336,209**	180,423
Dividends paid to policyholders	**(169,824)**	(194,558)
Balance, end of year	**$ 1,788,931**	$ 1,622,546

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Income Tax:

WCF is exempt from federal and state income taxes. WCF is, however, subject to a New York State franchise tax. WCF's franchise tax is based on written premiums. The New York State franchise tax expense was $31,605 and $30,007 in 2021 and 2020.

WCF maintains an office and does business in the metropolitan New York area and is subject to the Metropolitan Transit Authority ("MTA") surcharge. The MTA surcharge is based on premiums written on businesses in the metropolitan area and wages paid to employees in the metropolitan area. The MTA surcharge was $3,851 and $2,053 in 2021 and 2020.

The franchise and MTA tax expenses are recorded through the statutory basis statements of income.

L. Concentrations of Credit Risk:

Financial instruments that potentially subject WCF to concentrations of credit risk are primarily cash and cash equivalents. Cash equivalents include investments in commercial paper of companies with high credit ratings, investments in money market securities and securities backed by the U.S. Government. Balances maintained in demand deposit accounts in the United States are fully insured by the Federal Deposit Insurance Corporation, ("FDIC") up to $250. The term "demand deposits' means both interest-bearing and noninterest bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Cash and cash equivalents are held with high-credit quality financial institutions in the United States and, from time to time, may have balances that exceed the amount of insurance provided by the FDIC on such deposits.

M. Risks and Uncertainties:

WCF invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that changes could materially affect the amounts reported in the statutory basis financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Risks and Uncertainties: (continued)

In early 2020, the World Health Organization declared the COVID-19 (coronavirus) outbreak to be a pandemic. The ultimate extent of the impact and effects on the operations and financial performance of NYSIF are unknown. However, during the year ended December 31, 2020, NYSIF experienced a decrease in premiums and instituted changes in premium payment plans, including deferral of premium due dates and forbearance on cancellation of policies for non-payment and on charging certain fees.

As of December 31, 2021 the ultimate extent of the impact of the COVID-19 outbreak on NYSIF's financial results will depend on the long-term health consequences of COVID-19, which are unknown, uncertain and difficult to predict at this time.

N. Use of Estimates:

The preparation of these statutory basis financial statements in conformity with statutory accounting principles 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 statutory basis financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates included in these statutory basis financial statements are the liability for loss and loss adjustment expenses, earned but unbilled premiums and WCF’s portion of the pension and OPEB costs estimated by WCF based on the current actuarial valuation prepared for the State, which includes WCF’s employees.

O. Reclassifications:

Certain reclassifications have been made to the prior year's statutory basis financial statements to conform to the current year’s presentation.

(in thousands)

NOTE 3 - INVESTMENTS

Section 87 of the New York State Workers' Compensation Law states that the Commissioner of Taxation and Finance is the custodian of WCF. By order of the Commissioner and approval of DFS, Section 87 allows JPMorgan Chase to serve as WCF's custodian for investments. The type of securities authorized for investment by WCF are mandated by Section 87. All bank deposits are entirely insured or collateralized with securities held by JPMorgan Chase at December 31, 2021 and 2020, in accordance with Section 105 of the New York State Finance Law.

The amortized cost, gross unrealized gains, gross unrealized losses and estimated market value of investments in bonds and stocks at December 31, 2021 and 2020 are as follows:

	2021			
	Cost or Book Adjusted Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government and government agency obligations	$ 5,958,559	$ 545,760	$ (83,451)	$ 6,420,868
States, territories, possessions and political subdivisior	1,291,013	48,293	(4,919)	1,334,387
Corporate bonds and public utilities	8,693,960	541,328	(42,231)	9,193,057
Mortgage-backed securities	1,855,361	7,756	(9,682)	1,853,435
Total bonds	17,798,893	1,143,137	(140,283)	18,801,747
Common stocks	1,224,544	841,321	(14,829)	2,051,036
Total stocks	1,224,544	841,321	(14,829)	2,051,036
Total investments	$ 19,023,437	$ 1,984,458	$ (155,112)	$ 20,852,783

	2020			
	Cost or Book Adjusted Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government and government agency obligations	$ 5,766,771	$ 813,810	$ (38,435)	$ 6,542,146
States, territories, possessions and political subdivisior	1,160,441	79,192	(691)	1,238,942
Corporate bonds and public utilities	8,776,814	1,005,142	(383)	9,781,573
Mortgage-backed securities	1,565,865	30,078	(117)	1,595,826
Total bonds	17,269,891	1,928,222	(39,626)	19,158,487
Common stocks	1,206,141	641,224	(5,065)	1,842,300
Total stocks	1,206,141	641,224	(5,065)	1,842,300
Total investments	$ 18,476,032	$ 2,569,446	$ (44,691)	$ 21,000,787

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

Mortgage-backed securities and collateralized mortgage obligations are distributed to maturity year based on an estimate of the rate of future prepayments of principal over the remaining lives of the securities. Prepayment assumptions are based on market expectations. Actual prepayment experience may vary from these estimates.

	Amortized Cost	Market Value
Due in one year or less	$ 832,018	$ 839,271
Due after one year through five years	6,040,667	6,124,233
Due after five years through ten years	3,567,266	3,667,884
Due after ten years	7,358,942	8,170,359
Total bonds	$ 17,798,893	$ 18,801,747

WCF participates in securities lending programs whereby certain securities from WCF's portfolio are loaned to other institutions for short periods of time. Under the terms of the lending agreements, WCF receives a fee from the borrower and requires collateral with a market value of at least 102% of the market value of securities loaned. WCF maintains ownership rights to securities loaned and has the ability to sell securities while they are on loan. WCF has an indemnification agreement with lending agents in the event a borrower becomes insolvent or fails to return securities. As of December 31, 2021 and 2020, $371,797 and $379,083 of WCF investments were on loan, supported by collateral of $380,066 and $387,364.

WCF has reinvested collateral assets in the amount of $108,840 and $115,709 as of December 31, 2021 and 2020. For the years ended December 31, 2021 and 2020, WCF received fees of $544 and $1,467. Fees have been included in investment income earned in the statutory basis statements of income.

The amortized cost and market value of the reinvested collateral assets at December 31, 2021 by contractual maturity are shown below:

	Amortized Cost	**Fair Value**
30 days or less	**$ 108,629**	**$ 108,629**
31 to 180 days	**211**	**320**
Total collateral received	**$ 108,840**	**$ 108,949**

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

The amortized cost and market value of the reinvested collateral assets at December 31, 2020 by contractual maturity are shown below:

	Amortized Cost	Fair Value
30 days or less	$ 115,483	$ 115,483
31 to 180 days	226	356
Total collateral received	$ 115,709	$ 115,839

WCF has sufficient tradable securities that could be sold to pay for the collateral calls that could come due under a worst-case scenario.

WCF security lending agreement is with JPMorgan Chase. All bank deposits are entirely insured or collateralized with securities held by JPMorgan Chase at December 31, 2021 and 2020, in accordance with Section 105 of the New York State Finance Law.

Net investment income earned consists principally of interest and dividends on investments as follows:

	2021	**2020**
Bonds	**$ 468,999**	$ 497,038
Stocks	**26,337**	32,169
Cash, cash equivalents and short-term investments	**463**	2,860
Real estate - home office	**19,406**	17,252
Securities lending	**559**	1,181
Other	**648**	(409)
Investment income earned	**516,412**	550,091
Investment expenses	**(31,439)**	(28,289)
Depreciation on real estate and other invested assets	**(9,083)**	(8,409)
Net realized capital gains	**247,197**	561,294
Net investment gain	**$ 723,087**	$ 1,074,687

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

Net realized capital gains on investments, determined on the first-in, first-out method in 2021 and 2020, consist of the following:

	Year Ended December 31, 2021	Year Ended December 31, 2020
Bonds	**$ 38,261**	$ 253,656
Stocks	**208,897**	307,690
Cash and short-term investments	**(1)**	(75)
Securities lending	**40**	23
Net realized capital gains	**$ 247,197**	$ 561,294

Proceeds from investments sold, matured or repaid during the years ended December 31, 2021 and 2020 are $5,248,921 and $6,606,699. These sales resulted in gross realized capital gains of $320,787 and $717,375, and gross realized capital losses of $58,387 and $46,019 in 2021 and 2020, respectively.

The following table represents WCF's unrealized losses, fair value and amortized cost for bonds and stocks aggregated by investment category and length of time individual securities have been in a continuous unrealized loss position as of December 31, 2021 and 2020.

	2021					
	Less than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U.S. government/agency	**$ 1,987,734**	**$ (29,988)**	**$ 520,284**	**$ (58,382)**	**$ 2,508,018**	**$ (88,370)**
Corporate and public utilities	**2,094,144**	**(39,205)**	**78,935**	**(3,026)**	**2,173,079**	**(42,231)**
Mortgage backed securities	**1,216,048**	**(8,852)**	**19,121**	**(830)**	**1,235,169**	**(9,682)**
Total fixed maturities	**5,297,926**	**(78,045)**	**618,340**	**(62,238)**	**5,916,266**	**(140,283)**
Common stock	**102,960**	**(14,823)**	**108**	**(6)**	**103,068**	**(14,829)**
Total stock	**102,960**	**(14,823)**	**108**	**(6)**	**103,068**	**(14,829)**
Total temporarily impaired	**$ 5,400,886**	**$ (92,868)**	**$ 618,448**	**$ (62,244)**	**$ 6,019,334**	**$ (155,112)**

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

	2020					
	Less than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U.S. government/agency	$ 820,350	$ (39,126)	$ -	$ -	$ 820,350	$ (39,126)
Corporate and public utilities	127,084	(383)	-	-	127,084	(383)
Mortgage backed securities	32,485	(117)	616	-	33,101	(117)
Total fixed maturities	979,919	(39,626)	616	-	980,535	(39,626)
Common stock	77,051	(4,897)	1,583	(168)	78,634	(5,065)
Total stock	77,051	(4,897)	1,583	(168)	78,634	(5,065)
Total temporarily impaired	$ 1,056,970	$ (44,523)	$ 2,199	$ (168)	$ 1,059,169	$ (44,691)

Gross unrealized losses represented 0.8% and 0.2% of cost or amortized cost of total investments for WCF as of December 31, 2021 and 2020, respectively. Fixed maturities represented 90.4% and 88.7% of WCF’s unrealized losses as of December 31, 2021 and 2020. The group of securities in an unrealized loss position for less than twelve months was comprised of 1,208 and 388 securities for WCF as of December 31, 2021 and 2020. The group of securities depressed for twelve months or more are comprised of 29 and 5 securities for WCF as of December 31, 2021 and 2020.

The fixed income securities in an unrealized loss position are primarily investment grade securities with extended maturity dates, which have been primarily impacted by a change in interest rates after the purchase date. As part of WCF’s ongoing security monitoring process by a committee of investment and accounting professionals, WCF has reviewed its investment portfolio and concluded that there are no additional other-than-temporary impairments as of December 31, 2021 and 2020. Due to the issuers' continued satisfaction of the securities' obligations in accordance with their contractual terms and the expectation that they will continue to do so, management's ability and intent to hold these securities, as well as the evaluation of the fundamentals of the issuer's financial condition and other objective evidence, WCF believes that the securities identified above are temporarily impaired.

The evaluation for other-than-temporary impairments ("OTTI") is a quantitative and qualitative process, which is subject to risks and uncertainties in the determination of whether declines in the fair value of investments are other-than-temporary. The risks and uncertainties include changes in general economic conditions, the issuer's financial condition or near-term recovery prospects and the effects of changes in interest rates.

NOTE 3 - INVESTMENTS (CONTINUED)

SSAP No. 43R - *Loan-backed and Structured Securities* ("SSAP No. 43R") requires that OTTI be recognized in earnings for a loan-backed or structured security in an unrealized loss position when it is anticipated that the amortized basis will not be recovered. In such situations, the OTTI recognized in earnings is the entire difference between the security's amortized cost and its fair value either (i) WCF intends to sell the security; or (ii) WCF does not have the intent and ability to retain the security for the time sufficient to recover the amortized cost basis. If neither of these two conditions exists, and WCF has the intent and ability to hold the security but does not expect to recover the entire amortized cost, the difference between the amortized cost basis of the security and the present value of projected future cash flows expected to be collected is recognized as an OTTI in earnings.

There are no amounts included in 2021 and 2020 for realized impairment losses related to SSAP No. 43R investments. There are no additional impairments recorded in 2021 and 2020 on the basis that the present value of future expected cash flows is less than the amortized cost basis of the security as losses are identified on the basis that WCF was unable to retain the security until recovery of amortized cost.

During 2021 and 2020, WCF recorded OTTI related to bonds in the amount of $85 and $8,593 in the statutory basis statements of income. WCF recorded total OTTI of $15,156 and $101,417 related to common stock as of December 31, 2021 and 2020, as a component of net realized investment gains through the statutory basis statements of income.

A. Fair Value of Financial Instruments:

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

WCF evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to the total investment portfolio.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analysis, incorporating current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, WCF estimates fair value using methods, models and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management's estimation and judgment, which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

SSAP No. 100R, *Fair Value,* defines fair value, establishes a framework for measuring fair value and establishes disclosure requirements about fair value.

Included in various investment-related line items in the statutory basis financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stocks, when NAIC designations fall below a 2 and, therefore, are carried at the lower of cost or market.

When available, WCF uses quoted market prices to determine the fair values of aforementioned investment securities. When quoted market prices are not readily available or representative of fair value, pricing determinations are made based on the results of valuation models using observable market data such as recently reported trades, bid and offer information and benchmark securities. Unobservable inputs reflect WCF’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

WCF’s financial assets and liabilities carried at fair value, as well as where fair value is disclosed, have been classified for disclosure purposes based on the SSAP No. 100R hierarchy. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

The levels of the fair value hierarchy are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect WCF's best estimate of what hypothetical market participants would use to determine a transaction price for the asset and liability at the reporting date.

The following table provides information as of December 31, 2021 about WCF's assets measured at fair value along with a brief description of the valuation technique for each type of asset.

Assets at fair value:	Level 1	Level 2	Level 3	Total
Bonds	$ -	$ 265,843	$ -	$ 265,843
Bank loans	-	148,465	-	148,465
Common stocks	2,051,036	-	1	2,051,037
Total assets at fair value	$ 2,051,036	$ 414,308	$ 1	$ 2,465,345

The following table provides information as of December 31, 2020 about WCF's assets measured at fair value along with a brief description of the valuation technique for each type of asset.

Assets at fair value:	Level 1	Level 2	Level 3	Total
Common stocks	$ 1,842,299	$ -	$ 1	$ 1,842,300
Total assets at fair value	$ 1,842,299	$ -	$ 1	$ 1,842,300

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

Low-grade fixed maturity investments where fair value is lower than cost and common stocks are recorded at fair value. Securities classified into Level 1 included primarily corporate bonds and common stocks where there are quoted prices in active markets for identical securities and the source of the pricing. Unadjusted quoted prices for these securities are provided to WCF by independent pricing services. Level 2 securities include corporate bonds and other common stock securities where pricing is based on bid evaluations. Quoted prices for these securities are provided to WCF using independent pricing services. There are no changes in valuation techniques during 2021 and 2020.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

WCF evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for plan benefits.

WCF's policy is to recognize transfers in and out of Levels 2 and 3 as of the end of the reporting period. There are no significant transfers in or out of Level 2 or 3 during 2021 and 2020.

The following table provides information as of December 31, 2021 about WCF's financial instruments disclosed at fair value along with a brief description of the valuation technique for each type of asset.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3
Bonds	$ 18,801,747	$ 17,798,893	$ -	$ 18,801,747	$ -
Short-term investments	2,970	2,970	-	2,970	-
Common stocks	2,051,036	2,051,036	2,051,036	-	-
Security lending collateral assets	108,949	108,840	108,629	320	-
Total	$ 20,964,702	$ 19,961,739	$ 2,159,665	$ 18,805,037	$ -

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

The following table provides information as of December 31, 2020 about WCF's financial instruments disclosed at fair value along with a brief description of the valuation technique for each type of assets.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3
Bonds	$ 19,158,487	$ 17,269,891	$ -	$ 19,158,487	$ -
Short-term investments	82,317	82,314	-	82,317	-
Common stocks	1,842,300	1,842,300	1,842,299	-	1
Security lending collateral assets	115,839	115,709	115,483	356	-
Total	$ 21,198,943	$ 19,310,214	$ 1,957,782	$ 19,241,160	$ 1

Securities classified into Level 1 included primarily common stocks, preferred stocks and money market mutual funds where there are quoted prices in active markets for identical securities and the source of the pricing. Unadjusted quoted prices for these securities are provided to WCF by independent pricing services. Quoted prices for these securities are provided to WCF using independent pricing services. Level 2 securities include all bonds, mortgage-backed securities including hybrid securities with pricing using bid evaluations or matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Features that are inputs into the analysis include duration, credit quality, tax status and call and sinking fund features. Quoted prices for these securities are provided to WCF by independent pricing services. Securities classified in Level 3 for 2021 represent a structured investment vehicle that is measured based on analysis performed by WCF's investment manager which analyzes the underlying collateral in addition to bid/ask pricing received from brokers to estimate a price. The valuation methodology has been applied consistently.

There are no changes in valuation techniques during 2021 and 2020.

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

B. Subprime Mortgage Exposure:

WCF has no direct subprime exposure through investments in subprime mortgage loans.

WCF has indirect subprime exposure in two mortgage-backed securities in the reinvested collateral assets in the amount of $810 and $864 in 2021 and 2020. None of these securities are deemed to have any issues that would lead management to believe that they are other-than-temporarily impaired.

WCF has no underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

C. Wash Sales:

In the course of WCF's management of its investment portfolio, securities may be sold at a loss and repurchased within 30 days of the sale date to enhance WCF's yield on its investment portfolio. WCF did not sell any securities at a loss or in a loss position with an NAIC designation from 3 to 6 for the years ended December 31, 2021 and 2020 that were reacquired within 30 days of the sale date.

NOTE 4 - REAL ESTATE

Investment in real estate includes various locations in New York State occupied by the NYSIF's employees. Depreciation expense recorded in the statutory basis statements of income during 2021 and 2020 was $9,083 and $8,409.

NYSIF-owned real estate recorded by WCF at December 31, 2021 and 2020 is as follows:

	2021	2020
Office buildings and improvements, at cost	$ 161,796	$ 149,497
Accumulated depreciation	(58,740)	(49,657)
Office buildings and improvements—net of accumulated depreciation	103,056	99,840
Land	2,735	2,735
Land improvements	2,250	2,249
Total real estate	$ 108,041	$ 104,824

(in thousands)

NOTE 5 - NON-ADMITTED ASSETS

Non-admitted assets at December 31, 2021 and 2020 are as follows:

	2021	2020
Premium in course of collection outstanding over 90 days, net	**$ 88,490**	$ 22,769
Earned but unbilled premiums	**6,205**	927
Accrued retrospective premiums	**900**	858
Electronic data equipment/software	**3,592**	3,537
Furniture and equipment, net of accumulated depreciation	**6,838**	6,427
Prepaid expenses and other	**6,334**	5,636
Total non-admitted assets	**$ 112,359**	$ 40,154

NOTE 6 - TRANSACTIONS WITH NEW YORK STATE

Over the course of several years, WCF was required to transfer to the State an aggregate of $1,295,000, which is noninterest bearing and is included in the accompanying statutory basis statements of admitted assets, liabilities and surplus as a contingent receivable due to the repayment conditions. Chapter 55 of the New York State Laws of 1982 required WCF to transfer $190,000 out of its surplus to the general fund of the State. Chapter 28 of the New York State Laws of 1986 authorized and directed WCF to transfer an additional $325,000 to the general fund of the State. Chapter 47 of the New York State Laws of 1987 required WCF to pay an additional $300,000 ($150,000 to the general fund of the State and $150,000 to the State's capital fund). Chapter 7 of the New York State Laws of 1989 required WCF to pay an additional $250,000 to the general fund of the State. As required by Chapter 41 of the New York State Laws of 1990, WCF transferred $230,000 to the State's general fund. The statutes require the State to appropriate $1,295,000 annually for the potential repayment of any portion of the aggregate contingent receivable. Such repayment by the State is required only if, in substance, WCF has no assets in excess of its reserves available to pay claims under its Workers' Compensation policies. These statutes specifically require the contingent receivable to be carried as an admitted asset.

NOTE 7 - REINSURANCE

As part of a prior reinsurance program, WCF reinsured certain risks with other companies. Such arrangements served to limit WCF's maximum loss from catastrophes, large risks and unusually hazardous risks. To the extent that any reinsuring company might be unable to meet its obligations, WCF would be liable for its respective participation in such defaulted amounts. The reserves for losses and loss adjustment expenses are $2,437 and $2,639 for losses recoverable under reinsurance contracts as of December 31, 2021 and 2020. WCF purchased no reinsurance in 2021 and 2020.

See Note 2[I] on reinsurance afforded through the Terrorism Risk Insurance Act of 2002.

Unsecured Reinsurance Recoverables in Excess of 3% of Surplus:

WCF does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of WCF's surplus at December 31, 2021 and 2020.

NOTE 8 - RELATED PARTY TRANSACTIONS

Expenses allocated to DBF are $3,689 in 2021 and $4,124 in 2020. The amount owed to WCF from DBF is $1,181 and $799 as of December 31, 2021 and 2020.

NYSIF acts as the administrator of ATF by paying losses on behalf of the ATF. ATF was created under New York State Worker's Compensation Law and is the disbursing agency for certain death and permanent disability claims exclusive of claims applicable to WCF. NYSIF charges ATF an administrative fee based on paid losses for such services at a rate of 3% for awards adjudicated prior to July 1, 2018 and 6% for awards adjudicated on or after July 1, 2018. The total administration fees charged to ATF during 2021 and 2020 are $2,112 and $2,066. The amount owed to NYSIF, recorded in WCF from ATF is $190 and $177 as of December 31, 2021 and 2020.

WCF administers workers' compensation claims for the State, which self-insures its liability. WCF is reimbursed for losses, allocated loss adjustment expenses, reinsurance and administrative expenses incurred on behalf of the State. During 2021 and 2020, the State reimbursed WCF $541,001 and $466,533 for such costs. Amounts relating to New York State losses, loss adjustment expenses and underwriting expenses have been excluded from these financial statements. The amount owed to WCF from the State is $17,394 and $19,957 as of December 31, 2021 and 2020.

(in thousands)

NOTE 8 - RELATED PARTY TRANSACTIONS (CONTINUED)

Assessments administered to the WCB are estimated based on premium written in the prior quarter, as well as assessment adjustments to policies previously reported. WCF is reimbursed for assessments administered to WCF through premium billing. Policyholders were assessed in the amount of $201,451 and $191,500, and estimated payments made to the Workers' Compensation Board were $195,137 and $187,205 for the years ended December 31, 2021 and 2020. WCF recorded a liability of $12,177 and $6,645 as of December 31, 2021 and 2020 for payments to the Workers' Compensation Board, which is recorded through premium receivable in the statutory basis statements of admitted assets, liabilities and surplus.

Amounts due to/from affiliates are as follows as of December 31:

	2021	**2020**
Due from affiliates		
Aggregate Trust Fund	**$ 190**	$ 177
DBF	**1,181**	799
New York State	**17,394**	19,957
Total due from affiliates	**$ 18,765**	$ 20,933

NOTE 9 - COMMITMENTS

NYSIF leases offices, warehouse space and vehicles under non-cancellable operating leases, generally varying from one to fifteen years. WCF's aggregate minimum commitments under non-cancelable operating leases at December 31, 2021, are as follows:

2022	$ 3,049
2023	3,145
2024	3,139
2025	3,046
2026	2,393
Thereafter	18,074
Net minimum commitments	$ 32,846

Rental expense (which includes an imputed amount of rent expense attributed to its owned building for WCF of $15,558 and $14,204) was $19,458 and $18,054 in 2021 and 2020 and is recorded as an offset to investment income earned.

(in thousands)

NOTE 9 - COMMITMENTS (CONTINUED)

NYSIF leases office space at its 199 Church St. location in New York City to the New York State Division of State Police ("State Police") and the New York State Department of Labor ("DOL"). The termination date of the State Police lease is December 31, 2032. The termination date of the DOL lease is December 31, 2035. NYSIF recognized lease income of $3,849 and $3,048 in 2021 and 2020 recorded through investment income earned.

NOTE 10 - RESERVES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

Activity in the reserves for losses and loss adjustment expenses, net of reinsurance recoveries of $2,437 and $2,639 for 2021 and 2020 is summarized as follows:

	2021	2020
Balance—January 1 (net of reinsurance recoveries)	$ 10,032,157	$ 10,003,647
Incurred claims related to:		
Current year	1,471,780	1,935,488
Prior years	(208,264)	(525,809)
Total incurred	1,263,516	1,409,679
Paid claims related to:		
Current year	190,080	168,336
Prior years	1,212,115	1,212,833
Total paid	1,402,195	1,381,169
Balance—December 31 (net of reinsurance recoveries)	$ 9,893,478	$ 10,032,157

These amounts reflect discounting pursuant to prescribed practices that depart from NAIC SAP. See Note 2A, Summary of Significant Accounting Policies.

The incurred claims relating to prior years have changed in 2021 and 2020 as a result of changes in estimates of events insured in prior years.

NOTE 11 - SURPLUS

There are no restrictions placed on WCF's surplus.

Changes in balances of appropriated surplus funds from December 31, 2020 to December 31, 2021 are discussed in Note 2I.

(in thousands)

NOTE 11 - SURPLUS (CONTINUED)

Unassigned surplus includes the accumulated balance for the items listed below:

	2021	2020
Unrealized gains	**$ 831,453**	$ 636,159
Nonadmitted assets	**$ (112,359)**	$ (40,154)

NOTE 12 - OTHER UNDERWRITING EXPENSES

The components of other underwriting expenses are as follows:

	2021	2020
Advertising	**$ 52**	$ 91
Boards, bureaus and associations	**4,613**	5,825
Audit of assured's records	**22**	90
Salaries and payroll taxes	**77,256**	73,950
Employee relations and welfare	**33,792**	31,741
Insurance	**124**	129
Travel and travel items	**136**	192
Rent and rent items	**8,634**	8,010
Equipment	**939**	578
Cost or depreciation of EDP equipment and software	**10,866**	8,513
Printing and stationery	**716**	650
Postage and telephone	**2,814**	2,474
Legal and auditing	**1,712**	1,287
Taxes, licenses and fees:		
Franchise taxes and other fees	**37,725**	31,850
Miscellaneous expenses	**7,120**	6,157
Total	**$ 186,521**	$ 171,537

(in thousands)

NOTE 13 - CONTINGENCIES

From time to time, WCF is involved in pending and threatened litigation in the normal course of business in which claims for monetary damages are asserted and are considered as part of the estimation of loss and loss adjustment expenses. In the opinion of management, the ultimate liability, if any, arising from such pending or threatened litigation is not expected to have a material effect on the results of operations, liquidity, or financial position of WCF.

NOTE 14 - RETROSPECTIVELY RATED CONTRACTS

For certain policies, WCF offers experience-rated insurance contracts whereby the ultimate premium is dependent upon claims incurred. WCF estimates accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case basis loss development with that anticipated in the policy contract to arrive at the best estimate of return or additional retrospective premium.

The amount of net premiums written subject to retrospective rating feature is $7,189 and $8,090 at December 31, 2021 and 2020, respectively, or 0.4% and 0.5% of total net written premiums written for the year ended December 31, 2021 and 2020, respectively.

As of December 31, 2021 and 2020, respectively, premiums receivable included accrued retrospective and unbilled audit premiums of $8,102 and $7,718. In accordance with SSAP No. 66, *Retrospectively Rated Contracts*, 10% of the amount of accrued retrospective premiums not offset by retrospective return premiums has been non-admitted as referenced below.

	2021	**2020**
Accrued retrospective premium receivable	**$ 9,002**	$ 8,575
Less: non-admitted amount (10%)	**(900)**	(857)
Admitted retrospective premium receivable	**$ 8,102**	$ 7,718

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been reviewed in accordance with SSAP No. 9, *Subsequent Events,* for both annual statement reporting and through issuance of these audited statutory basis financial statements. Subsequent events were initially reviewed through February 25, 2022, when the annual statement was filed with the NAIC and DFS. After that date, subsequent events have been reviewed through May 18, 2022, the date which these audited statements were available to be issued.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Commissioners of
The State Insurance Fund Workers' Compensation Fund
New York, New York

We have audited the statutory basis financial statements of the State Insurance Fund Workers' Compensation Fund as of December 31, 2021 and 2020, and for the year then ended, and have issued our report thereon dated May 18, 2022, which expressed an unmodified opinion on those statutory basis financial statements. Our audits were conducted for the purpose of forming an opinion on the statutory basis financial statements as a whole. The statutory basis supplementary investment risk interrogatories, statutory basis supplementary summary investment schedule and statutory basis supplementary reinsurance interrogatories are presented for purposes of additional analysis and are not a required part of the statutory basis financial statements, but is information required to be presented to comply with the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual and the NAIC Annual Statement Instructions. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the statutory basis financial statements. The information has been subjected to the auditing procedures applied in the audits of the statutory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory basis financial statements or to the statutory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the statutory basis financial statements as a whole.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 18, 2022

STATUTORY BASIS SUPPLEMENTARY SCHEDULES
SUPPLIED IN COMPLIANCE WITH THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS' INSTRUCTIONS TO ANNUAL AUDITED FINANCIAL REPORTS

STATE INSURANCE FUND
WORKERS' COMPENSATION FUND

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories
Year Ended December 31, 2021

Of The State Insurance Fund Workers' Compensation Fund
Address (City, State, Zip Code): New York, New York 10007
NAIC Group Code: 0000 NAIC Company Code: 36102 Employer's ID Number: 14-6013200

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

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

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $ 22,106,138,946

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

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01	Federal Home Loan Mortgage Corporation	Bonds	$ 902,615,689	4.083 %
2.02	Federal National Mortgage Association	Bonds	$ 742,118,778	3.357 %
2.03	FRESB Multifamily Structured P	Bonds	$ 281,264,997	1.272 %
2.04	Apple Inc	Bonds and stocks	$ 235,719,330	1.066 %
2.05	Berkshire Hathaway Inc	Bonds and stocks	$ 209,296,457	0.947 %
2.06	Tennessee Valley Authority	Bonds	$ 198,527,589	0.898 %
2.07	Amazon.com Inc	Bonds and stocks	$ 192,747,757	0.872 %
2.08	Goldman Sachs Group Inc/The	Bonds and stocks	$ 177,366,147	0.802 %
2.09	Morgan Stanley	Bonds and stocks	$ 156,054,021	0.706 %
2.10	JPMorgan Chase & Co	Bonds and stocks	$ 139,663,322	0.632 %

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

	Bonds	1	2		Preferred Stocks	3	4
3.01	NAIC 1	$ 15,843,852,640	71.672 %	3.07	P/RP-1	$	%
3.02	NAIC 2	$ 1,224,973,810	5.541 %	3.08	P/RP-2	$	%
3.03	NAIC 3	$ 660,184,877	2.986 %	3.09	P/RP-3	$	%
3.04	NAIC 4	$ 72,851,484	0.330 %	3.10	P/RP-4	$	%
3.05	NAIC 5	$	%	3.11	P/RP-5	$	%
3.06	NAIC 6	$	%	3.12	P/RP-6	$ 35	%

4. Assets held in foreign investments:

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

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

4.02	Total admitted assets held in foreign investments.	$ 1,036,510,142	4.689 %
4.03	Foreign-currency- denominated investments.	$	%
4.04	Insurance liabilities denominated in that same foreign currency.	$	%

STATE INSURANCE FUND
WORKERS' COMPENSATION FUND

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories (continued)
Year Ended December 31, 2021

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

	1	2
5.01 Countries designated NAIC 1	$ .. 1,036,510,142	.... 4.689 %
5.02 Countries designated NAIC 2	$	.... %
5.03 Countries designated NAIC 3 or below	$	.... %

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

	1	2
Countries designated NAIC 1:		
6.01 Country 1: France	$ 200,162,351	.... 0.905 %
6.02 Country 2: Cayman Islands	$ 180,431,236	.... 0.816 %
Countries designated NAIC 2:		
6.03 Country 1:	$	.... %
6.04 Country 2:	$	.... %
Countries designated NAIC 3 or below:		
6.05 Country 1:	$	.... %
6.06 Country 2:	$	.... %

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

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

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

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

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

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

1 Issuer	2 NAIC Designation	3	4
10.01 Westpac Banking Corp	1FE	$ 65,373,940	.... 0.296 %
10.02 HSBC Holdings PLC	1FE	$ 59,997,554	.... 0.271 %
10.03 Air Liquide SA	1FE	$ 51,261,524	.... 0.232 %
10.04 Mitsubishi UFJ Financial G	1FE	$ 45,000,000	.... 0.204 %
10.05 Nordea Bank Abp	1FE	$ 44,913,475	.... 0.203 %
10.06 Siemens AG	1FE	$ 41,744,183	.... 0.189 %
10.07 Cooperatieve Rabobank U	1FE	$ 39,990,682	.... 0.181 %
10.08 DNB Bank ASA	1FE	$ 34,996,193	.... 0.158 %
10.09 Sanofi	1FE	$ 34,981,168	.... 0.158 %
10.10 Societe Generale SA	1FE	$ 34,970,233	.... 0.158 %

STATE INSURANCE FUND
WORKERS' COMPENSATION FUND

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories (continued)
Year Ended December 31, 2021

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

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

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

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

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

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

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

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? Yes ( ) No (X)

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

1 Name of Issuer	2	3
13.02 Apple Inc	$ 106,153,299	.... 0.480 %
13.03 NVIDIA Corp	$ 85,044,259	.... 0.385 %
13.04 Microsoft Corp	$ 81,507,152	.... 0.369 %
13.05 Amazon.com Inc	$ 75,579,485	.... 0.342 %
13.06 Alphabet Inc	$ 65,703,916	.... 0.297 %
13.07 Bank of America Corp	$ 36,369,997	.... 0.165 %
13.08 Tesla Inc	$ 33,893,048	.... 0.153 %
13.09 UnitedHealth Group Inc	$ 28,431,669	.... 0.129 %
13.10 JPMorgan Chase & Co	$ 22,043,270	.... 0.100 %
13.11 Walt Disney Co/The	$ 20,359,051	.... 0.092 %

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories (continued)
Year Ended December 31, 2021

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

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 14.01 is yes, responses are not required for 14.02 through 14.05.

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

Ten largest fund managers:

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

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

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

	1	2	3
15.02	Aggregate statement value of investments in general partnership interests.	$	.... %
	Largest three investments held in general partnership interests:		
15.03	0	$	.... %
15.04	0	$	.... %
15.05	0	$	.... %

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

16.01 Are mortgage loans reported in Schedule B less than 2.5 % of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	1 Type (Residential, Commercial, Agricultural)	2	3
16.02	0	$	.... %
16.03	0	$	.... %
16.04	0	$	.... %
16.05	0	$	.... %
16.06	0	$	.... %
16.07	0	$	.... %
16.08	0	$	.... %
16.09	0	$	.... %
16.10	0	$	.... %
16.11	0	$	.... %

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

		Loans 1	2
16.12	Construction loans	$	.... %
16.13	Mortgage loans over 90 days past due	$	.... %
16.14	Mortgage loans in the process of foreclosure	$	.... %
16.15	Mortgage loans foreclosed	$	.... %
16.16	Restructured mortgage loans	$	.... %

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories (continued)
Year Ended December 31, 2021

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

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

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

18.01 Are assets held in real estate reported in less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

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

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

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

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.

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

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

	At Year-End 1	At Year-End 2	At End of Each Quarter 1st Qtr 3	2nd Qtr 4	3rd Qtr 5
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)	$ 356,818,197	1.614 %	$ 473,576,130	$ 417,140,532	$ 411,701,295
20.02 Repurchase agreements	$	%	$	$	$
20.03 Reverse repurchase agreements	$	%	$	$	$
20.04 Dollar repurchase agreements	$	%	$	$	$
20.05 Dollar reverse repurchase agreements	$	%	$	$	$

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories (continued)
Year Ended December 31, 2021

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

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

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

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

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

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

STATE INSURANCE FUND
WORKERS' COMPENSATION FUND

Statutory Basis Supplementary Summary Investments Schedule
Year Ended December 31, 2021

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage of Column 1 Line 13	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col.3+4) Amount	6 Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments	3,690,159,850	17.943	3,690,159,850		3,690,159,850	17.943
1.02 All other governments						
1.03 U.S. states, territories and possessions, etc. guaranteed	1,291,013,395	6.277	1,291,013,395		1,291,013,395	6.277
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed						
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed	2,268,398,680	11.030	2,268,398,680		2,268,398,680	11.030
1.06 Industrial and miscellaneous	10,179,757,413	49.498	10,179,757,413	211,034	10,179,968,447	49.499
1.07 Hybrid securities						
1.08 Parent, subsidiaries and affiliates						
1.09 SVO identified funds						
1.10 Unaffiliated bank loans	369,563,327	1.797	369,563,327		369,563,327	1.797
1.11 Total long-term bonds	17,798,892,665	86.544	17,798,892,665	211,034	17,799,103,699	86.545
2. Preferred stocks (Schedule D, Part 2, Section 1):						
2.01 Industrial and miscellaneous (Unaffiliated)	35		35		35	
2.02 Parent, subsidiaries and affiliates						
2.03 Total preferred stocks	35		35		35	
3. Common stocks (Schedule D, Part 2, Section 2):						
3.01 Industrial and miscellaneous Publicly traded (Unaffiliated)	2,051,036,235	9.973	2,051,036,235		2,051,036,235	9.973
3.02 Industrial and miscellaneous Other (Unaffiliated)						
3.03 Parent, subsidiaries and affiliates Publicly traded						
3.04 Parent, subsidiaries and affiliates Other						
3.05 Mutual funds						
3.06 Unit investment trusts						
3.07 Closed-end funds						
3.08 Total common stocks	2,051,036,235	9.973	2,051,036,235		2,051,036,235	9.973
4. Mortgage loans (Schedule B):						
4.01 Farm mortgages						
4.02 Residential mortgages						
4.03 Commercial mortgages						
4.04 Mezzanine real estate loans						
4.05 Total valuation allowance						
4.06 Total mortgage loans						
5. Real estate (Schedule A):						
5.01 Properties occupied by company	108,040,651	0.525	108,040,651		108,040,651	0.525
5.02 Properties held for production of income						
5.03 Properties held for sale						
5.04 Total real estate	108,040,651	0.525	108,040,651		108,040,651	0.525
6. Cash, cash equivalents and short-term investments:						
6.01 Cash (Schedule E, Part 1)	485,922,415	2.363	485,922,415	7,000,000	492,922,415	2.397
6.02 Cash equivalents (Schedule E, Part 2)						
6.03 Short-term investments (Schedule DA)	2,970,146	0.014	2,970,146	101,628,966	104,599,112	0.509
6.04 Total cash, cash equivalents and short-term investments	488,892,561	2.377	488,892,561	108,628,966	597,521,527	2.905
7. Contract loans						
8. Derivatives (Schedule DB)						
9. Other invested assets (Schedule BA)						
10. Receivables for securities	10,483,328	0.051	10,483,328		10,483,328	0.051
11. Securities Lending (Schedule DL, Part 1)	108,840,000	0.529	108,840,000	XXX	XXX	XXX
12. Other invested assets (Page 2, Line 11)						
13. Total invested assets	20,566,185,475	100.000	20,566,185,475	108,840,000	20,566,185,475	100.000

Statutory Basis Supplementary Schedule of Reinsurance Interrogatories
Year Ended December 31, 2021

For reinsurance contracts entered into, renewed or amended on or after January 1, 1994.

7.1 Has this reporting entity reinsured a risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?

Yes [ ] No [X]

7.2 If 7.1 is yes, indicate the number of reinsurance contracts containing such provisions: N/A

7.3 If 7.1 is yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

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

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

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

8.2 If 8.1 is yes, give full information:

Not applicable

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 3% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 3% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

a. A contract term longer than two years and the contract is non-cancelable by the reporting entity during the contract term;

b. A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

c. Aggregate stop loss reinsurance coverage;

d. An unconditional or unilateral right by either party to commute the reinsurance contract except for such provisions which are only triggered by a decline in the credit status of the other party;

e. A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

f. Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?

Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates?

Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principal objectives in entering into the reinsurance contract including the economic purpose to be achieved.

Statutory Basis Supplementary Schedule of Reinsurance Interrogatories (continued)
Year Ended December 31, 2021

9.4 Except for transactions meeting the requirements of paragraph 80-85 of SSAP No. 62R, *Property and Casualty Reinsurance,* has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?
Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
Yes [ ] No [ ] N/A [X]

EisnerAmper

STATE INSURANCE FUND
DISABILITY BENEFITS FUND

STATUTORY BASIS FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2021 and 2020
STATUTORY BASIS SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2021
AND INDEPENDENT AUDITORS' REPORT

STATE INSURANCE FUND
DISABILITY BENEFITS FUND

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
The State Insurance Fund Disability Benefits Fund
New York, New York

Report on the Statutory Basis Financial Statements

Opinion

We have audited the statutory basis financial statements of the State Insurance Fund Disability Benefits Fund, which comprise the statutory statements of admitted assets, liabilities and surplus as of December 31, 2021 and 2020, and the related statutory statements of income, surplus, and cash flows for the years then ended, and the related notes to the statutory basis financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying statutory basis financial statements present fairly, in all material respects, the admitted assets, liabilities and surplus of State Insurance Fund Disability Benefits Fund as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended on the basis of accounting described in Note 2A.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the statutory basis financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of State Insurance Fund Disability Benefits Fund as of December 31, 2021 and 2020, or the results of its operations or its cash flows for the years then ended.

Basis for Opinion

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

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

As described in Note 2A of the statutory basis financial statements, the statutory basis financial statements are prepared by State Insurance Fund Disability Benefits Fund on the basis of accounting practices prescribed or permitted by the Insurance Department of the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New York State Department of Financial Services. The effects on the statutory basis financial statements of the variances between the regulatory basis of accounting described in Note 2A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statutory basis financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 18, 2022

STATE INSURANCE FUND
DISABILITY BENEFITS FUND

Statutory Basis Statements of Admitted Assets, Liabilities and Surplus
As of December 31, 2021 and 2020
(in thousands)

	2021	2020
Admitted assets		
Cash and invested assets:		
Bonds—at NAIC carrying value	**$ 33,431**	$ 13,328
Cash and short-term investments	**279,957**	252,170
Securities lending reinvested collateral	**4,063**	-
Total cash and invested assets	**317,451**	265,498
Premium receivables	**27,439**	14,514
Accrued investment income	**1,221**	73
Total admitted assets	**$ 346,111**	$ 280,085
Liabilities and surplus		
Liabilities:		
Reserve for losses	**$ 16,141**	$ 14,957
Reserve for loss adjustment expenses	**2,350**	2,333
Unearned premiums	**72,132**	49,235
Advance premium	**3,131**	2,552
Due to affiliate	**1,181**	799
Payables for securities and securities lending	**4,063**	-
Accrued expenses and other liabilities	**11,572**	11,264
Total liabilities	**110,570**	81,140
Surplus:		
Appropriated surplus funds:		
Security fluctuation surplus	**1,840**	800
Catastrophe surplus	**4,000**	4,000
Appropriation postemployment benefits	**6,281**	13,835
Unassigned surplus	**223,420**	180,310
Total surplus	**235,541**	198,945
Total liabilities and surplus	**$ 346,111**	$ 280,085

See accompanying notes to statutory basis financial statements.

STATE INSURANCE FUND
DISABILITY BENEFITS FUND

Statutory Basis Statements of Income
For the Years Ended December 31, 2021 and 2020
(in thousands)

	2021	2020
Underwriting income:		
Net written premium	**$ 122,447**	$ 75,438
Net earned premium	**$ 99,327**	$ 58,636
Underwriting expenses:		
Losses incurred	**53,042**	42,220
Loss adjustment expenses incurred	**4,488**	4,569
Other underwriting expenses incurred	**6,569**	5,472
Total underwriting expenses	**64,099**	52,261
Net underwriting profit	**35,228**	6,375
Investment income earned:		
Investment income	**604**	2,641
Investment expenses	**(327)**	(304)
Net realized capital losses	**(24)**	(7)
Net investment income earned	**253**	2,330
Other income (expense):		
Bad debt income (expense)	**1,709**	(5,830)
Miscellaneous income	**1,852**	716
Total other income (expense)	**3,561**	(5,114)
Net income	**$ 39,042**	$ 3,591

See accompanying notes to statutory basis financial statements.

STATE INSURANCE FUND
DISABILITY BENEFITS FUND

Statutory Basis Statements of Surplus
For the Years Ended December 31, 2021 and 2020
(in thousands)

	Appropriated Surplus Funds				
	Security Fluctuation Surplus	**Catastrophe Surplus**	**Appropriation Postemployment Benefits**	**Unassigned Surplus**	**Total Surplus**
Balance—January 1, 2020	$ 1,260	$ 4,000	$ 7,949	$ 181,273	$ 194,482
Net income	-	-	-	3,591	3,591
Decrease in nonadmitted assets	-	-	-	872	872
Appropriation of unassigned to (from) appropriated surplus	(460)	-	5,886	(5,426)	-
Balance—December 31, 2020	800	4,000	13,835	180,310	198,945
Net income	-	-	-	39,042	39,042
Increase in nonadmitted assets	-	-	-	(2,446)	(2,446)
Appropriation of unassigned to (from) appropriated surplus	1,040	-	(7,554)	6,514	-
Balance—December 31, 2021	**$ 1,840**	**$ 4,000**	**$ 6,281**	**$ 223,420**	**$ 235,541**

See accompanying notes to statutory basis financial statements.

STATE INSURANCE FUND
DISABILITY BENEFITS FUND

Statutory Basis Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020
(in thousands)

	2021	2020
Cash flows from operations:		
Premiums collected	**$ 108,224**	$ 76,662
Net investment (expense) income	**(855)**	2,926
Miscellaneous income (expense)	**3,562**	(5,114)
Losses and loss adjustment expenses paid, net of salvage and subrogation	**(51,858)**	(41,672)
Expenses paid	**(11,499)**	(8,703)
Net cash provided by operations	**47,574**	24,099
Cash flows from investments:		
Proceeds from investments sold, matured or repaid	**11,801**	70,231
Cost of investments acquired	**(35,995)**	(2,060)
Net cash (used in) provided by investments	**(24,194)**	68,171
Cash flows from other sources	**4,407**	246
Net change (used in) provided by cash and short-term investments	**27,787**	92,516
Cash and short-term investments Beginning of year	**252,170**	159,654
Cash and short-term investments End of year	**$ 279,957**	$ 252,170

See accompanying notes to statutory basis financial statements.

Notes to Statutory Basis Financial Statements
For the Years Ended December 31, 2021 and 2020
(in thousands)

NOTE 1 - ORGANIZATION AND PURPOSE

The State Insurance Fund ("NYSIF"), which includes the operations of Disability Benefits Fund ("DBF") and Workers' Compensation Fund ("WCF"), is a nonprofit agency of the State of New York ("the State"). NYSIF also administers the Aggregate Trust Fund ("ATF"). By statute, NYSIF maintains separate records for each fund.

In *Methodist Hospital of Brooklyn v. State Insurance Fund (1985)*, The New York State Court of Appeals held that NYSIF is "a State agency for all of whose liabilities the State is responsible".

DBF offers statutory disability benefits insurance that satisfies an employer's requirement to provide partial wage replacement benefits to their employees for off-the-job injuries or illnesses and disabilities arising from pregnancies. Statutory disability benefits are equal to one-half the average weekly wage of the employee, up to a maximum benefit of $170 for 26 weeks, if necessary, within a 52-week period. Medical care is the responsibility of the claimant.

Effective January 1, 2018, DBF added an endorsement to policies to cover employees for mandatory New York State Paid Family Leave ("PFL"), which is funded through employee payroll deductions. PFL provides workers with job-protected, paid leave to bond with a new child, care for a loved one with a serious condition or help relieve family pressures when someone is deployed abroad on active military service.

The home office properties are occupied jointly by all three funds. Because of this relationship, DBF incurs operating expenses allocated to DBF by WCF based on the level of services provided. Management believes the method of allocating such expenses is fair and reasonable. WCF allocates the cost of services rendered to DBF based on a percentage of DBF employees, salaries and square footage occupied.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The accompanying statutory basis financial statements of DBF are presented in conformity with accounting practices prescribed by the New York State Department of Financial Services ("DFS"). DFS recognizes only New York Statutory Accounting Practices ("NY SAP") for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under New York State Insurance Law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP"), effective January 1, 2001 and subsequent revisions, have been adopted as a component of NY SAP.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NAIC SAP and NY SAP:

The State has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Such differences are identified herein as NY SAP where applicable. Specifically, Electronic Data Processing ("EDP") and related equipment, constituting a data processing, record keeping or accounting system with a cost of $50 and greater shall be depreciated over a period not to exceed 10 years under NY SAP.

In addition, the Superintendent of DFS has the right to permit other specific practices that may deviate from prescribed practices. DBF, as mandated by New York State Workers' Compensation Law, is not required to calculate Risk Based Capital.

Differences between NY SAP and U.S. GAAP:

The accounting practices and procedures of NY SAP and NAIC SAP (collectively referred to as “SAP”) comprise a comprehensive basis of accounting other than generally accepted accounting principles in the United States (“U.S. GAAP”). The more significant differences between SAP and U.S. GAAP, which are applicable to DBF, are set forth below:

a. Bonds are generally carried at amortized cost. Under U.S. GAAP, such securities are classified into “held to maturity” and reported at amortized cost, or “trading” and reported at fair value with unrealized gains and losses included in earnings, or “available for sale” and reported at fair value with unrealized gains and losses reported as a separate component of surplus.

   All single class and multi-class mortgage-backed/asset-backed securities are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using either the retrospective or prospective methods. If it is determined that a decline in fair value is other-than-temporary, the cost basis of the security is written down to the discounted estimated future cash flows.

   Under U.S. GAAP, all securities, purchased or retained, that represent beneficial interests in securitized assets (e.g., collateralized mortgage obligations or asset-backed securities), other than high-credit quality securities, are adjusted using the prospective method when there is a change in estimated future cash flows. If it is determined that a decline in fair value is other-than-temporary, the cost basis of the security is written down to the discounted fair value.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation: (continued)

Differences between NY SAP and U.S. GAAP: (continued)

b. Cash and short-term investments in the statutory basis statements of cash flows represent cash balances and investments with initial maturities of one year or less. Under U.S. GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

c. Policy acquisition costs (principally underwriting and marketing-related costs) are expensed as incurred, whereas under U.S. GAAP these costs are capitalized and amortized to income on the same basis as premium income is recognized.

d. Certain assets designated as non-admitted assets (principally premiums in the course of collection outstanding over 90 days, 10% of earned but unbilled premium and prepaid expenses) are charged directly against surplus. Under U.S. GAAP, all premiums in course of collection and prepaid expenses would be included in total assets, less valuation allowances.

e. EDP and related equipment with a cost of $2 and greater are depreciated over an estimated useful life of up to three years. Under U.S. GAAP, all EDP and related equipment would be recorded as assets, less accumulated depreciation over their useful lives.

f. An appropriation of surplus for security fluctuations has been established for the difference between the amortized cost of securities and their fair value. Such an appropriation is established for future contingencies, rather than allocated to specific investments. In addition, a reasonable portion of unassigned surplus has been established as an appropriation for terrorism, catastrophes and postemployment benefits.

g. Comprehensive income and its components are not presented in the statutory basis financial statements.

h. The net amount of all cash accounts is reported jointly. Cash accounts with positive balances are not reported separately from cash accounts with negative balances. If in the aggregate, the reporting entity has a net negative cash balance, it is reported as a negative asset. Under U.S. GAAP, positive cash balances are reported as assets while net negative cash balances are reported as liabilities.

i. The aggregate effect of the foregoing differences between NY SAP and U.S. GAAP on the accompanying statutory basis financial statements has not been determined, however, it is presumed to be material.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Investments:

Investments are generally valued in accordance with the valuation procedures of the NAIC.

Bonds are valued in accordance with the requirements of the NAIC's Securities Valuation Office ("SVO"). Bonds are principally carried at amortized cost. Discount or premium on bonds is amortized using the scientific method, which is a variation of the effective interest method. Short-term investments consist of bonds purchased within a year of the maturity date which are stated at amortized cost. Market value is primarily based on market prices obtained from the SVO and JPMorgan Chase.

For mortgage-backed fixed maturity securities, DBF recognizes income using the constant effective yield method based on anticipated prepayments over the economic life of the security. Mortgage-backed securities are accounted for by the retrospective method and prepayment assumptions are based on market conditions. When actual payments differ significantly from anticipated prepayments, the effective yield is recalculated to reflect actual payments to date and anticipated future payments, and any resulting adjustment is included in net investment income.

Receivable and payable for securities represent sales and purchases of securities that are unsettled at year-end.

Realized gains and losses on the sale of investments are calculated based on the difference between the carrying value and the consideration received at the time of sale and are included in the statutory basis statements of income.

Investment income earned consists primarily of interest. Interest is recognized on an accrual basis. Interest income on mortgage-backed and asset-backed securities is determined on the effective yield method based on estimated principal repayments. Accrual of income is suspended for bonds and mortgage loans that are in default or when the receipt of interest payments is in doubt. Realized capital gains and losses are determined using the first-in, first-out method.

An investment in a debt security is impaired if its fair value falls below book value and the decline is considered other-than-temporary. Factors considered in determining whether a loss is other-than-temporary include the length of time and extent to which fair value has been below cost, the financial condition and near-term prospects of the issuer, and DBF's ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery. A debt security is impaired if it is probable that DBF will not be able to collect all the amounts due under the security contractual terms. Other-than-temporary declines in fair value of investments are included in realized losses. There are no realized losses related to impairment losses during 2021 and 2020.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Premium Revenue and Related Accounts:

DBF records written premiums on the effective date of the policy and earns premium over the life of the policy.

DBF records premium receivables as an admitted asset if the following three conditions are met: (1) a bill for the premium amount is no more than 90 days past due, (2) the bill date is within six months after the expiration of the policy year, and (3) no other bill for the same policy is considered non-admitted.

At December 31, 2021 and 2020, the outstanding premium receivable balance is stated net of $2,859 and $451 of non-admitted amounts. DBF routinely assesses the collectability of receivables and establishes an appropriate allowance at each year end. Bad debt recoveries of $1,709 were recorded, and bad debt expense of $5,830 was recorded in the statutory basis statements of income for the year ended December 31, 2021 and 2020, respectively.

For DBF, unearned premiums represent the pro-rata portion of premiums and endorsements written that are applicable to the unexpired term of policies in force at year-end.

Also included in the reserve for unearned premiums are estimates for Return of Premium Program ("ROP") in the amount of $934 and $2,071 at December 31, 2021 and 2020, and the Premium Adjustment Plan ("PAP") in the amount of $1,805 and $1,947 at December 31, 2021 and 2020 (See Note 2K). ROP is a program whereby policyholders with 49 or fewer employees become members of a group of policyholders and a premium credit is estimated based on the group's loss ratio that is not in excess of the industry standard as established by DFS.

PAP is a program whereby policyholders with annual premium greater than $1 may qualify for an annual credit based on policyholder's individual claim performance. If the total annual premium is greater than the total claims paid, after all claims are closed for that same period, multiplied by a factor of 1.2, a PAP credit is awarded. Other qualifications for both ROP and the PAP are that the policyholder must maintain an active status with DBF throughout the policy year and have payroll reports submitted after the end of the policy period.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Reserves for Losses and Loss Adjustment Expenses:

Total DBF reserves for losses and loss adjustment expenses ("LAE"), which include case and incurred but not reported ("IBNR") reserves, are estimated using generally accepted actuarial methods. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. An independent actuarial consulting firm reviews the estimated liability. DBF's management believes that the assumptions used in determining this liability are reasonable and that the amount recorded represents the best estimate of the ultimate cost of investigating, defending and settling claims.

Case reserves for losses and LAE of DBF are based on individual case estimates for claims incurred on or before December 31, 2021. These liabilities also include expenses for investigating and settling claims.

DBF's actual future experience may not conform to the assumptions inherent in the determination of the liability. Accordingly, the ultimate settlement value may vary significantly from the amounts included in the statutory basis financial statements and the difference may be material.

The New York State Department of Financial Services has imposed a risk adjustment mechanism on insurers writing PFL coverage. Each year, those carriers with PFL loss ratios lower than the average industry loss ratio make a risk adjustment payment and those carriers with loss ratios higher than the average industry loss ratio receive a risk adjustment payment. The payment and receipt of risk adjustments is intended to ensure all carriers have an equivalent loss ratio within specific employer size groupings. DBF records a reserve for PFL coverage including an estimate of future risk adjustments. The reserve carries a high degree of uncertainty as the information regarding industry results, necessary to calculate the risk adjustment, are largely unknown. Differences between risk adjustment reserve amounts and actual payments made or received, are recorded in income in the period in which the estimates are changed or payments are made in accordance with SAP guidance. During 2021 and 2020, NYSIF made a risk adjustment payment of $7,479 and $8,797.

DBF does not cede or assume any reinsurance. DBF does not participate in any voluntary or involuntary pools.

The reserves for loss and LAE of DBF are not discounted.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Postemployment Fringe Benefits - Pension:

All employees of DBF are eligible to be covered under a retirement plan administered by the New York State Employees Retirement System. For employees hired prior to July 27, 1976, the plan is noncontributory. For employees hired on or after July 27, 1976, but before 2015, the plan is partially contributory in the first ten years of employment and noncontributory thereafter. For employees hired on and after January 1, 2015, the plan is partially contributory for the entire term of employment.

DBF has determined that they are not directly liable for this obligation and as such, in accordance with SSAP No. 102, *Pensions,* DBF records its obligation based on amounts billed by the State. DBF records the difference between amounts billed by the State and amounts paid to the State as a liability or prepaid asset. DBF has a prepaid asset for pension benefits in the amount of $185 and $146 as of December 31, 2021 and 2020.

Based on actual costs billed by various State agencies, DBF incurred $2,368 and $2,262 of fringe benefits and indirect costs in 2021 and 2020, recorded through other underwriting expenses in the statutory basis statements of income.

DBF also estimates a contingent liability for the net pension liability as of December 31 of each calendar year based on the State's latest available Actuarial Valuation Report, which is as of March 31 of the same calendar year.

During the years ended December 31, 2021 and 2020, DBF appropriated surplus to provide for the net pension obligation costs as permitted by SSAP No. 72, *Surplus and Quasi-Reorganizations.* Future obligations may vary significantly due to potential future changes in various key assumptions, such as DBF's ultimate allocated share of the obligation, investment earning and actuarial projections. DBF updates the estimate each year-end.

At December 31, 2021 and 2020, DBF's pro-rata portion of its New York State Employees' net pension obligation was $13 and $3,410. The pension obligation was measured by the State as of March 31, 2021 and 2020, with DBF's portion of the obligation based on a ratio of its employees to State employees. At March 31, 2021 and 2020, DBF's approximate proportionate share was 0.01%.

(in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Postemployment Fringe Benefits - Pension: (continued)

The activity in the appropriated surplus for pension benefits during 2021 and 2020 is as follows:

	2021	**2020**
Balance, beginning of year	**$ 3,410**	$ 836
Current year appropriation	**(3,397)**	2,574
Balance, end of year	**$ 13**	$ 3,410

In 2021 and 2020, DBF recorded pension expense of $701 and $589.

F. Postemployment Fringe Benefits – Other Postemployment Benefits:

DBF's employees are employees of the State. New York State Civil Service Law, Section 163.2, provides for health insurance coverage for retired employees of DBF including their spouses and dependent children ("The State Plan"). Eligibility is determined by the membership in the New York State and Local Employees' Retirement System, enrollment in the New York State Health Insurance Program ("NYSHIP") at the time of retirement, and the completion of a minimum number of years of service as required by the employees' membership tier in the retirement system.

The State's Actuarial Valuation Reports are prepared as of March 31 (the State's fiscal year end) and segregate balances relating to the various state agencies, including NYSIF, under GASB 75.

NYSIF, in the course of business, reimburses the State for certain Other Postemployment Benefits ("OPEB") related charges under the State's Plan. Under SSAP No. 92, *Postretirement Benefits Other Than Pensions,* DBF estimates its Normal Cost as of December 31 of each calendar year based on the State's latest available Actuarial Valuation Report, which is as of March 31 of the same calendar year.

DBF carries its net OPEB obligation (i.e., the Normal Cost less the amount DBF has funded to the State for retirees) as a liability. DBF recognizes in the statement of income only its annual Normal Cost, as this is DBF's current year expense for the plan for the period, in accordance with statutory accounting principles.

(in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Postemployment Fringe Benefits – Other Postemployment Benefits: (continued)

Projected benefits for financial reporting purposes are based on the State's actuarial calculations and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial calculations reflect a long-term perspective. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. DBF maintains an appropriated surplus account to provide for the portion of the contingency for OPEB costs that have not already been recognized as a net OPEB obligation, as permitted by SSAP No. 72, *Surplus and Quasi-Reorganizations*. Future obligations may vary significantly due to potential future changes in various key assumptions, such as DBF's ultimate allocated share of the liability, discount rate used to develop the present value of future benefits, healthcare inflation, projected healthcare claims, and the likelihood an employee retires, elects healthcare coverage, and survives after retirement. DBF updates the estimate each year-end.

The activity in the appropriated surplus for postemployment benefits during 2021 and 2020 is as follows:

	2021	**2020**
Balance, beginning of year	**$ 10,425**	$ 7,113
Current year appropriation	**(4,157)**	3,312
Balance, end of year	**$ 6,268**	$ 10,425

The following table shows the components of DBF's assigned values relating to OPEB expense (normal cost) under the State's plan, the amount credited to the plan, and changes in the net OPEB obligation as of December 31, 2021 and 2020:

	2021	**2020**
Net OPEB obligation, beginning of year	**$ 977**	$ 945
Annual OPEB expense (Normal Cost)	**848**	588
Estimated contribution credit (retiree premiums paid)	**(631)**	(556)
Increase in net OPEB obligation	**217**	32
Net OPEB obligation, end of year	**$ 1,194**	$ 977

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Postemployment Fringe Benefits – Other Postemployment Benefits: (continued)

DBF has an accrued liability for employees' compensation for future absences in the amount of $540 and $490 as of December 31, 2021 and 2020.

G. Appropriated Surplus Funds:

As described above, DBF may designate a portion of unassigned surplus to provide for contingencies as permitted under NAIC SAP.

Security fluctuation surplus

DBF increased security fluctuation surplus to $1,840 at December 31, 2021 from $800 at December 31, 2020.

Catastrophe surplus

The review of the catastrophe surplus in conjunction with a risk assessment of DBF's exposures resulted in DBF maintaining the catastrophe surplus at $4,000 as of December 31, 2021 and 2020.

Pension and postemployment fringe benefits surplus

DBF records pension and postemployment benefits expenses and estimates a contingent liability for the net obligation as of December 31 of each calendar year based on the State's latest available actuarial valuation reports (see notes 2E and 2F).

Appropriated pension surplus decreased to $13 as of December 31, 2021 from $3,410 at December 31, 2020.

Other postemployment benefits ("OPEB") surplus decreased to $6,268 as of December 31, 2021 from $10,425 at December 31, 2020.

H. Income Tax:

DBF is exempt from federal and state income taxes. DBF is, however, subject to a New York State franchise tax. DBF's franchise tax is based on written premiums. The New York State franchise tax expense was $2,142 and $1,320 in 2021 and 2020.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Income Tax: (continued)

DBF maintains an office and does business in the metropolitan New York area and is subject to the Metropolitan Transit Authority ("MTA") surcharge. The MTA surcharge is based on premiums written on businesses in the metropolitan area and wages paid to employees in the metropolitan area. The MTA surcharge was $304 and $188 in 2021 and 2020.

The franchise and MTA tax expenses are recorded through the statutory basis statements of income.

I. Concentrations of Credit Risk:

Financial instruments that potentially subject DBF to concentrations of credit risk are primarily cash and cash equivalents. Cash equivalents include investments in money market securities and securities backed by the U.S. Government. Balances maintained in demand deposit accounts in the United States are fully insured by the Federal Deposit Insurance Corporation, ("FDIC") up to $250. The term "demand deposit" means both interest and non-interest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Cash and cash equivalents are held with high-credit quality financial institutions in the United States and, from time to time, may have balances that exceed the amount of insurance provided by the FDIC on such deposits.

J. Risks and Uncertainties:

DBF invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statutory basis financial statements.

In early 2020, the World Health Organization declared the COVID-19 (coronavirus) outbreak to be a pandemic. The ultimate extent of the impact and effects on the operations and financial performance of NYSIF are unknown.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Risks and Uncertainties: (continued)

As of December 31, 2021, the ultimate extent of the impact of the COVID-19 outbreak on NYSIF's future financial results will depend on the long-term health consequences of COVID-19, which are unknown, uncertain and difficult to predict at this time.

While loss payments attributable to COVID-19 claims have been significantly less than expected as of December 31, 2021, the future impact of such claims may be material. Both NY State and the Federal Government passed legislation expanding wage loss benefits, essentially sick leave paid by the employer, to qualifying persons impacted by COVID-19. The State law also provides that DB and PFL benefits be paid to qualifying employees when sick leave benefits have been exhausted. It is NYSIF's conclusion that the federally mandated benefits are primary and paid directly by the employer to the employee. Under the State law, however, DB and PFL expanded benefits will also be paid by the DBF for coterminous periods with federally mandated sick leave where the benefit under the State law is greater than the benefit available under the federal law, but only to the extent of the difference between the two. Accordingly, the passage of the federal law significantly reduced the DBF's exposure to COVID-19 losses as it is expected to be either a partial or complete offset to otherwise mandated State benefits for most claims.

(in thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Use of Estimates:

The preparation of these statutory basis financial statements in conformity with statutory basis accounting principles 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 statutory basis financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates included in these statutory basis financial statements are the liability for loss and LAE, ROP and PAP estimates in unearned premiums, and DBF's portion of the pension and OPEB costs estimated by DBF based on the current actuarial valuation prepared for New York State, which includes DBF's employees.

NOTE 3 - INVESTMENTS

Section 87 of the New York State Workers' Compensation Law states that the Commissioner of Taxation and Finance is the sole custodian of DBF. By order of the Commissioner and approval of DFS, Section 87 allows JPMorgan Chase to serve as DBF's custodian for investments. The types of securities authorized for investment by DBF are mandated by Section 87. All bank deposits are entirely insured or collateralized with securities held by JPMorgan Chase at December 31, 2021 and 2020, in accordance with Section 105 of the New York State Finance Law.

The amortized cost, gross unrealized gains, gross unrealized losses and estimated market value of investments in bonds at December 31, 2021 and 2020 are as follows:

	2021			
	Cost or Book Adjusted Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government and government agency obligations	$ 24,866	$ 7	$ (10)	$ 24,863
Corporate bonds and public utilities	7,065	11	(3)	7,073
Mortgage/loan backed securities	1,500	4	-	1,504
Total investments	$ 33,431	$ 22	$ (13)	$ 33,440

	2020			
	Cost or Book Adjusted Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government and government agency obligations	$ 2,500	$ 11	$ -	$ 2,511
Corporate bonds and public utilities	3,502	6	-	3,508
Mortgage/loan backed securities	7,326	68	-	7,394
Total investments	$ 13,328	$ 85	$ -	$ 13,413

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

The amortized cost and market value of bonds at December 31, 2021 by contractual maturity is shown below. Actual maturities may differ from contractual maturities because certain issuers may have the right to call or prepay obligations with or without penalties.

	Amortized Cost	Market Value
Due in one year or less	$ -	$ -
Due after one year through five years	31,930	31,935
Due after five years through ten years	-	-
Due after ten years	1,501	1,505
Total bonds	$ 33,431	$ 33,440

DBF participates in securities lending programs whereby certain securities from DBF's portfolio are loaned to other institutions for short periods of time. Under the terms of the lending agreements, DBF receives a fee from the borrower and requires collateral with a market value of at least 102% of the market value of securities loaned. DBF maintains ownership rights to securities loaned and has the ability to sell securities while they are on loan. DBF has an indemnification agreement with lending agents in the event a borrower becomes insolvent or fails to return securities. As of December 31, 2021, and 2020, $9,459 and $10,803 of DBF investments were on loan, supported by collateral of $9,631 and $11,019.

DBF had reinvested collateral assets in the amount of $4,063 and $0 as of December 31, 2021 and 2020. The fair value and amortized cost as of December 31, 2021 is $4,063 and matures within 30 days or less. For the years ended December 31, 2021 and 2020, DBF received fees of $6 and $9. Fees have been included in investment income earned in the statutory basis statements of income.

The amortized cost and market value of the reinvested collateral assets at December 31, 2021 by contractual maturity are shown below:

	Amortized Cost	Fair Value
30 days or less	$ 4,063	$ 4,063
Total collateral received	$ 4,063	$ 4,063

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

DBF has sufficient tradable securities that could be sold and used to pay for the collateral calls that could come due under a worst-case scenario.

DBF has security lending agreements with JPMorgan Chase. All bank deposits are entirely insured or collateralized with securities held by JPMorgan Chase at December 31, 2021, in accordance with Section 105 of the New York State Finance Law.

Net investment income earned consists principally of interest and dividends on investments as follows:

	2021	2020
Bonds	**$ 188**	$ 1,214
Cash and cash equivalents	**206**	1,420
Security lending	**6**	9
Other	**204**	(2)
Investment income	**604**	2,641
Investment expenses	**(327)**	(304)
Net realized capital losses	**(24)**	(7)
Net investment gain	**$ 253**	$ 2,330

Net realized capital losses on investments, determined on the first-in, first-out method in 2021 and 2020.

	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash and short-term investments	**$ (24)**	$ (7)
Net realized capital losses	**$ (24)**	$ (7)

Proceeds from investments sold, matured, or repaid during the years ended December 31, 2021 and 2020 were $11,801 and $70,231. These sales did not result in any realized capital gains or losses in 2021 and 2020.

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

The following table represents DBF's unrealized losses, fair value and amortized cost for bonds aggregated by investment category and length of time individual securities have been in a continuous unrealized loss position as of December 31, 2021. There were no bonds in an unrealized loss position as of December 31, 2020.

	2021					
	Less Than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U. S. government	$ 9,994	$ (10)	$ -	$ -	$ 9,994	$ (10)
Corporate and public utilities	2,013	(3)	-	-	2,013	(3)
Total fixed maturities	12,007	(13)	-	-	12,007	(13)
Total temporarily impaired	$ 12,007	$ (13)	$ -	$ -	$ 12,007	$ (13)

Gross unrealized losses represented .04% and 0% of the total cost or amortized cost of total investments for DBF as of December 31, 2021 and 2020. Fixed maturities represented 100% of DBF's unrealized losses as of December 31, 2021 and 2020. The group of securities in an unrealized loss position for less than twelve months was comprised of 4 and 0 securities for DBF as of December 31, 2021 and 2020. There were no securities depressed for twelve months or more as of December 31, 2021 and 2020.

The fixed income securities in an unrealized loss position are primarily investment grade securities with extended maturity dates, which have been primarily impacted by a change in interest rates after the purchase date. As part of DBF's ongoing security monitoring process by a committee of investment and accounting professionals, DBF has reviewed its investment portfolio and concluded that there are no additional other-than-temporary impairments as of December 31, 2021 and 2020. Due to the issuers' continued satisfaction of the securities' obligations in accordance with their contractual terms and the expectation that they will continue to do so, management's ability and intent to hold these securities, as well as the evaluation of fundamentals of the issuers' financial condition and other objective evidence, DBF believes that the securities identified above are temporarily impaired.

NOTE 3 - INVESTMENTS (CONTINUED)

The evaluation for other-than-temporary impairments ("OTTI") is a quantitative and qualitative process, which is subject to risks and uncertainties in the determination of whether declines in the fair value of investments are other-than-temporary. The risks and uncertainties include changes in general economic conditions, the issuer's financial condition or near-term recovery prospects and the effects of changes in interest rates.

SSAP No. 43R - *Loan-backed and Structured Securities* ("SSAP No. 43R") requires that OTTI be recognized in earnings for a loan-backed or structured security in an unrealized loss position when it is anticipated that the amortized basis will not be recovered. In such situations, the OTTI recognized in earnings is the entire difference between the security's amortized cost and its fair value if either (i) DBF intends to sell the security; or (ii) DBF does not have the intent and ability to retain the security for the time sufficient to recover the amortized cost basis. If neither of these two conditions exists, and DBF has the intent and ability to hold the security but does not expect to recover the entire amortized cost, the difference between the amortized cost basis of the security and the present value of projected future cash flows expected to be collected is recognized as an OTTI in earnings.

There are no amounts included in 2021 and 2020 for realized losses related to DBF for impairment losses related to SSAP No. 43R investments. There are no additional impairments recorded in 2021 and 2020 on the basis that the present value of future expected cash flows is less than the amortized cost basis of the security as losses are identified on the basis that DBF was unable to retain the security until recovery of amortized cost.

DBF recorded no impairments during 2021 or 2020 as a component of net realized investment gains through the statutory basis statements of income.

A. Fair Value of Financial Instruments:

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

DBF evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to the total investment portfolio.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analysis, incorporating current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, DBF estimates fair value using methods, models and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management's estimation and judgment, which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

SSAP No. 100R defines fair value, establishes a framework for measuring fair value and establishes disclosure requirements about fair value.

Included in various investment-related line items in the statutory basis financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds when NAIC designations fall below a 2 and, therefore, are carried at the lower of cost or market.

When available, DBF used quoted market prices to determine the fair values of aforementioned investment securities. When quoted market prices are not readily available or representative of fair value, pricing determinations are made based on the results of valuation models using observable market data such as recently reported trades, bid and offer information and benchmark securities. There are no investments with unobservable inputs held by DBF as of December 31, 2021 and 2020. Unobservable inputs reflect DBF's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

DBF's financial assets and liabilities carried at fair value, as well as where fair value is disclosed, have been classified, for disclosure purposes, based on the SSAP No. 100R hierarchy. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

The levels of the fair value hierarchy are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect DBF's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Low-grade fixed maturity investments where fair value is lower than cost are recorded at fair value. Securities classified into Level 1 included primarily cash equivalents where there are quoted prices in active markets for identical securities and the source of the pricing. Unadjusted quoted prices for these securities are provided to DBF by independent pricing services. Level 2 securities include corporate bonds where pricing is based on bid evaluations. Quoted prices for these securities are provided to DBF using independent pricing services. DBF does not have any securities that are carried at fair value. There are no changes in valuation techniques during 2021 and 2020.

The following table provides information as of December 31, 2021 about DBF's assets disclosed at aggregate fair value along with a brief description of the valuation technique for each type of asset.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3
Bonds	$ 33,440	$ 33,431	$ -	$ 33,440	$ -
Short-term investments	265,906	265,991	-	265,906	-
Security lending collateral assets	4,063	4,063	4,063	-	-
Total	$ 303,409	$303,485	$ 4,063	$ 299,346	$ -

(in thousands)

NOTE 3 - INVESTMENTS (CONTINUED)

A. Fair Value of Financial Instruments: (continued)

The following table provides information as of December 31, 2020 about DBF's assets disclosed at aggregate fair value along with a brief description of the valuation technique for each type of asset.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3
Bonds	$ 13,413	$ 13,328	$ -	$ 13,413	$ -
Short-term investments	240,973	240,966	-	240,973	-
Total	$ 254,386	$ 254,294	$ -	$ 254,386	$ -

Securities classified into Level 1 included primarily cash equivalents and treasury notes (collateral assets) where there are quoted prices in active markets for identical securities and the source of the pricing. Unadjusted quoted prices for these securities are provided to DBF by independent pricing services. Level 2 securities include all bonds, mortgage-backed securities including hybrid securities with pricing using bid evaluations or matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Features that are inputs into the analysis include duration, credit quality, tax status and call and sinking fund features. Quoted prices for these securities are provided to DBF by independent pricing services. DBF does not have any Level 3 securities. The valuation methodology has been applied consistently.

There were no significant transfers into or out of Level 3 during 2021 and 2020. There were no changes in valuation techniques during 2021 and 2020.

B. Subprime Mortgage Exposure:

DBF had no exposures to subprime mortgage loans at December 31, 2021 and 2020.

C. Wash Sales:

In the course of DBF's management of investment portfolio, securities may be sold at a loss and repurchased within 30 days of the sale date to enhance DBF's yield on its investment portfolio. DBF did not sell any securities at a loss or in a loss position with a NAIC designation from 3 to 6 for the years ended December 31, 2021 and 2020 that were reacquired within 30 days of the sale date.

(in thousands)

NOTE 4 - NON-ADMITTED ASSETS

The non-admitted assets of DBF at December 31, 2021 and 2020 are as follows:

	2021	2020
Premium in course of collection outstanding over 90 days	**$ 2,859**	$ 451
Other	**185**	146
Total non-admitted assets	**$ 3,044**	$ 597

NOTE 5 - RELATED PARTY TRANSACTIONS

Expenses allocated to DBF from WCF were $3,689 in 2021 and $4,124 in 2020. The amount owed to WCF at December 31, 2021 and 2020 from DBF is $1,181 and $799.

NOTE 6 - RESERVES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

Activity in the reserves for losses and loss adjustment expenses is summarized as follows:

	2021	2020
Balance – January 1	**$ 17,290**	$ 16,368
Incurred claims related to:		
Current year	**61,333**	47,584
Prior years	**(3,803)**	(795)
Total incurred	**57,530**	46,789
Paid claims related to:		
Current year	**44,082**	31,399
Prior years	**12,247**	14,468
Total paid	**56,329**	45,867
Balance – December 31	**$ 18,491**	$ 17,290

(in thousands)

NOTE 6 - RESERVES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES (CONTINUED)

The incurred claims related to prior years have changed in 2021 and 2020 as a result of changes in estimate of events insured in prior years.

NOTE 7 - SURPLUS

There are no restrictions placed on DBF's surplus.

Changes in balances of appropriated surplus funds from December 31, 2020 to December 31, 2021 are discussed in Note 2G.

Unassigned surplus reflects the accumulated balance of Non-Admitted Assets of $(3,044) and ($597) as of December 31, 2021 and 2020.

NOTE 8 - OTHER UNDERWRITING EXPENSES

The components of other underwriting expenses are as follows:

	2021	2020
Salaries and payroll taxes	**$ 2,262**	$ 2,133
Employee relations and welfare	**1,048**	1,003
Insurance	**4**	5
Travel and travel items	**1**	1
Rent and rent items	**171**	148
Equipment	**7**	4
Taxes, licenses and fees	**2,500**	1,625
Cost or depreciation of EDP equipment and software	**148**	132
Printing and stationery	**18**	27
Postage, telephone and telegraph	**69**	80
Legal and auditing	**204**	185
Miscellaneous expense	**137**	129
Total	**$ 6,569**	$ 5,472

NOTE 9 - CONTINGENCIES

From time to time, DBF is involved in pending and threatened litigation in the normal course of business in which claims for monetary damages are asserted. In the opinion of management, the ultimate liability, if any, arising from such pending or threatened litigation is not expected to have material effect on the results of operations, liquidity or the financial position of DBF.

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been reviewed in accordance with SSAP No. 9, *Subsequent Events*, for both annual statement reporting and through issuance of these audited statutory basis financial statements. Subsequent events were initially reviewed through February 25, 2022 when the annual statement was filed with the NAIC and DFS. After that date, subsequent events have been reviewed through May 18, 2022, the date which these audited statements were available to be issued.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Commissioners of
The State Insurance Fund Disability Benefits Fund
New York, New York

We have audited the statutory basis financial statements of the State Insurance Fund Disability Benefits Fund as of December 31, 2021 and 2020, and for the year then ended, and have issued our report thereon dated May 18, 2022, which expressed an unmodified opinion on those statutory basis financial statements. Our audits were conducted for the purpose of forming an opinion on the statutory basis financial statements as a whole. The statutory basis supplementary investment risk interrogatories and statutory basis supplementary summary investment schedule are presented for purposes of additional analysis and are not a required part of the statutory basis financial statements, but is information required to be presented to comply with the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual and the NAIC Annual Statement Instructions. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the statutory basis financial statements. The information has been subjected to the auditing procedures applied in the audits of the statutory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory basis financial statements or to the statutory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the statutory basis financial statements as a whole.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 18, 2022

STATUTORY BASIS SUPPLEMENTARY SCHEDULES
SUPPLIED IN COMPLIANCE WITH THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS' INSTRUCTIONS TO ANNUAL AUDITED FINANCIAL REPORTS

STATE INSURANCE FUND
DISABILITY BENEFITS FUND

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories
Year Ended December 31, 2021

Of The State Insurance Fund Disability Benefits Fund
Address (City, State, Zip Code): New York, New York 10007
NAIC Group Code: 0000 NAIC Company Code: 36103 Employer's ID Number: 14-6013200

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

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

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $ 346,111,060

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

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01	Microsoft Corp	Bonds	$ 4,506,542	1.302 %
2.02	Apple Inc	Bonds	$ 4,305,408	1.244 %
2.03	Massachusetts Mutual Life Insu	Bonds	$ 4,103,835	1.186 %
2.04	Novartis AG	Bonds	$ 3,372,363	0.974 %
2.05	Intel Corp	Bonds	$ 3,318,401	0.959 %
2.06	Toyota Motor Corp	Bonds	$ 3,300,895	0.954 %
2.07	Metropolitan Life Global Fundi	Bonds	$ 3,128,331	0.904 %
2.08	BlackRock Inc	Bonds	$ 3,039,613	0.878 %
2.09	PepsiCo Inc	Bonds	$ 3,027,463	0.875 %
2.10	National Rural Utilities Coope	Bonds	$ 3,010,502	0.870 %

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

	Bonds	1	2		Preferred Stocks	3	4
3.01	NAIC 1	$ 280,508,195	81.046 %	3.07	P/RP-1	$	%
3.02	NAIC 2	$ 18,913,805	5.465 %	3.08	P/RP-2	$	%
3.03	NAIC 3	$	%	3.09	P/RP-3	$	%
3.04	NAIC 4	$	%	3.10	P/RP-4	$	%
3.05	NAIC 5	$	%	3.11	P/RP-5	$	%
3.06	NAIC 6	$	%	3.12	P/RP-6	$	%

4. Assets held in foreign investments:

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

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

4.02	Total admitted assets held in foreign investments.	$ 20,750,202	5.995 %
4.03	Foreign-currency- denominated investments.	$	%
4.04	Insurance liabilities denominated in that same foreign currency.	$	%

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories (continued)
Year Ended December 31, 2021

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

	1	2
5.01 Countries designated NAIC 1	$ 20,750,202	5.995 %
5.02 Countries designated NAIC 2	$	%
5.03 Countries designated NAIC 3 or below	$	%

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

	1	2
Countries designated NAIC 1:		
6.01 Country 1: Credit Suisse Group AG	$ 2,567,941	0.742 %
6.02 Country 2: Westpac Banking Corp	$ 2,522,836	0.729 %
Countries designated NAIC 2:		
6.03 Country 1:	$	%
6.04 Country 2:	$	%
Countries designated NAIC 3 or below:		
6.05 Country 1:	$	%
6.06 Country 2:	$	%

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

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

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

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

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

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

1 Issuer	2 NAIC Designation	3	4
10.01 Credit Suisse Group AG	1.E FE	$ 2,567,941	0.742 %
10.02 Westpac Banking Corp	1.D FE	$ 2,522,836	0.729 %
10.03 Skandinaviska Enskilda B	1.D FE	$ 2,516,603	0.727 %
10.04 Siemens AG	1.E FE	$ 2,509,222	0.725 %
10.05 Cooperatieve Rabobank U	1.E FE	$ 2,506,233	0.724 %
10.06 Sumitomo Mitsui Financial	1.G FE	$ 2,313,931	0.669 %
10.07 UBS Group AG	1.G FE	$ 2,004,137	0.579 %
10.08 Barclays PLC	1.E FE	$ 1,104,613	0.319 %
10.09 National Australia Bank Lt	1.D FE	$ 906,071	0.262 %
10.10 Credit Agricole Group	1.G FE	$ 750,592	0.217 %

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories (continued)
Year Ended December 31, 2021

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

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

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

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

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

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

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

13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

1 Name of Issuer	2	3
13.02 0	$	.... %
13.03 0	$	.... %
13.04 0	$	.... %
13.05 0	$	.... %
13.06 0	$	.... %
13.07 0	$	.... %
13.08 0	$	.... %
13.09 0	$	.... %
13.10 0	$	.... %
13.11 0	$	.... %

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories (continued)
Year Ended December 31, 2021

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

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 14.01 is yes, responses are not required for 14.02 through 14.05.

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

Ten largest fund managers:

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

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

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

	1	2	3
15.02	Aggregate statement value of investments in general partnership interests.	$	.... %
	Largest three investments held in general partnership interests:		
15.03	0	$	.... %
15.04	0	$	.... %
15.05	0	$	.... %

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

16.01 Are mortgage loans reported in Schedule B less than 2.5 % of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	1 Type (Residential, Commercial, Agricultural)	2	3
16.02	0	$	.... %
16.03	0	$	.... %
16.04	0	$	.... %
16.05	0	$	.... %
16.06	0	$	.... %
16.07	0	$	.... %
16.08	0	$	.... %
16.09	0	$	.... %
16.10	0	$	.... %
16.11	0	$	.... %

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

		Loans 1	2
16.12	Construction loans	$	.... %
16.13	Mortgage loans over 90 days past due	$	.... %
16.14	Mortgage loans in the process of foreclosure	$	.... %
16.15	Mortgage loans foreclosed	$	.... %
16.16	Restructured mortgage loans	$	.... %

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories (continued)
Year Ended December 31, 2021

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

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

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

18.01 Are assets held in real estate reported in less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

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

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

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

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes (X) No ( )

If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.

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

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

	At Year-End 1	2	At End of Each Quarter 1st Qtr 3	2nd Qtr 4	3rd Qtr 5
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)	$ 9,439,852	.... 2.727 %	$ 10,176,895	$ 10,177,874	$ 6,177,998
20.02 Repurchase agreements	$	.... %	$	$	$ ....
20.03 Reverse repurchase agreements	$	.... %	$	$	$ ....
20.04 Dollar repurchase agreements	$	.... %	$	$	$ ....
20.05 Dollar reverse repurchase agreements	$	.... %	$	$	$ ....

Statutory Basis Supplementary Schedule of Investment Risk Interrogatories (continued)
Year Ended December 31, 2021

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

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

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

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

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

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

STATE INSURANCE FUND
DISABILITY BENEFITS FUND

Statutory Basis Supplementary Summary Investment Schedule
Year Ended December 31, 2021

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage of Column 1 Line 13	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col.3+4) Amount	6 Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments	24,866,115	7.833	24,866,115		24,866,115	7.833
1.02 All other governments						
1.03 U.S. states, territories and possessions, etc. guaranteed						
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed						
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed						
1.06 Industrial and miscellaneous	8,565,329	2.698	8,565,329		8,565,329	2.698
1.07 Hybrid securities						
1.08 Parent, subsidiaries and affiliates						
1.09 SVO identified funds						
1.10 Unaffiliated bank loans						
1.11 Total long-term bonds	33,431,444	10.531	33,431,444		33,431,444	10.531
2. Preferred stocks (Schedule D, Part 2, Section 1):						
2.01 Industrial and miscellaneous (Unaffiliated)						
2.02 Parent, subsidiaries and affiliates						
2.03 Total preferred stocks						
3. Common stocks (Schedule D, Part 2, Section 2):						
3.01 Industrial and miscellaneous Publicly traded (Unaffiliated)						
3.02 Industrial and miscellaneous Other (Unaffiliated)						
3.03 Parent, subsidiaries and affiliates Publicly traded						
3.04 Parent, subsidiaries and affiliates Other						
3.05 Mutual funds						
3.06 Unit investment trusts						
3.07 Closed-end funds						
3.08 Total common stocks						
4. Mortgage loans (Schedule B):						
4.01 Farm mortgages						
4.02 Residential mortgages						
4.03 Commercial mortgages						
4.04 Mezzanine real estate loans						
4.05 Total valuation allowance						
4.06 Total mortgage loans						
5. Real estate (Schedule A):						
5.01 Properties occupied by company						
5.02 Properties held for production of income						
5.03 Properties held for sale						
5.04 Total real estate						
6. Cash, cash equivalents and short-term investments:						
6.01 Cash (Schedule E, Part 1)	13,965,997	4.399	13,965,997		13,965,997	4.399
6.02 Cash equivalents (Schedule E, Part 2)				4,063,122	4,063,122	1.280
6.03 Short-term investments (Schedule DA)	265,990,556	83.789	265,990,556		265,990,556	83.789
6.04 Total cash, cash equivalents and short-term investments	279,956,553	88.189	279,956,553	4,063,122	284,019,675	89.469
7. Contract loans						
8. Derivatives (Schedule DB)						
9. Other invested assets (Schedule BA)						
10. Receivables for securities						
11. Securities Lending (Schedule DL, Part 1)	4,063,122	1.280	4,063,122	XXX	XXX	XXX
12. Other invested assets (Page 2, Line 11)						
13. Total invested assets	317,451,119	100.000	317,451,119	4,063,122	317,451,119	100.000

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New York State Insurance Fund

2021 ANNUAL REPORT

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