



ANNUAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2025
 OF THE CONDITION AND AFFAIRS OF THE
BLUE CROSS OF IDAHO HEALTH SERVICE, INC.

NAIC Group Code	1290, 1290	NAIC Company Code	60095	Employer's ID Number	82-0344294
	(Current) (Prior)				
Organized under the Laws of	ID	State of Domicile or Port of Entry	ID		
Country of Domicile	US				
Licensed as business type:	Life, Accident & Health	Is HMO Federally Qualified?	NO		
Incorporated/Organized	01/01/1978	Commenced Business	01/01/1978		
Statutory Home Office	3000 E Pine Ave	Meridian, ID, 83642			
Main Administrative Office	3000 E Pine Ave				
	Meridian, ID, 83642	(208)-345-4550			
		(Telephone)			
Mail Address	3000 E Pine Ave	Meridian, ID, 83642			
Primary Location of Books and	3000 E Pine Ave				
Records	Meridian, ID, 83642	(208)-345-4550			
		(Telephone)			
Internet Website Address	bcidaho.com				
Statutory Statement Contact	Alison R. Gale	(986)-224-4004			
		(Telephone)			
	alison.gale@bcidaho.com	(208)-331-7618			
	(E-Mail)	(Fax)			

OFFICERS

Paul G. Zurlo, President & CEO	David M. Ward, Treasurer
Mark T. Kohler, Secretary	

OTHER

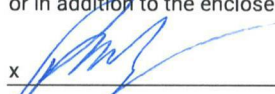
Dawn M. Atkin#, VP Healthcare Operations	Ryan J. Arave#, VP Controller & Chief Accounting Officer
Kathleen M. Belvoir, VP IT Business Transformation	Janice A. Baker, Chief Human Resource Officer
Stacey L. Gehlken, VP Human Resources	Raymond J. Gallagher, Chief Revenue Officer
Lance C. Hatfield, Chief Information Security Officer	Reagan Greene, VP Marketing & Experience
	Drew E. Hobby, Chief Strategy Officer
Brian L. Johnson#, VP Enterprise Execution	Mark T. Kohler, Corporate Secretary, VP & Deputy General Counsel
Steven R. Olson, VP Pharmacy	Peter J. Perez, VP Business Operations
Brent C. Price, VP Strategy	Scott E. Randolph, VP Legal Services
Michael R. Reynoldson, SVP Government Affairs & Public Relations	
Jayson M. Ronk, VP Public Affairs	Marc F. Roberts, Chief Actuary & Analytics Officer
Stephen R. Synott#, VP Commercial Markets	Peter C. Sorensen, VP Government Programs
Kevin F. Tighe, Chief Audit Executive	Wade D. Thornock, VP Chief Compliance and Ethics Officer
Clifton J. Waters#, VP Customer Service & Claims	David M. Ward, EVP, CFO and Chief Risk Officer, Treasurer
Stephanie K. Wright, VP Growth and Retention	Brian C. Wonderlich, General Counsel
Todd R. York, VP Provider Partnerships	David Y. Yoo#, Chief Information Officer


DIRECTORS OR TRUSTEES

Darrel T. Anderson	Juan Alvarez
Gordon S. Jones	Cortney R. Liddiard
Catherine T. Lyons	Joel L. Poppen
Sheryl L. Rickard	Brent J. Stacey
Glen W. Storer	Paul G. Zurlo

State of Idaho
 County of Ada SS

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

x 
Paul G. Zurlo
President & CEO

x 
David M. Ward
Treasurer

x 
Steven N. Driggers
Assistant Corporate Secretary

Subscribed and sworn to before me
this _____ 25th _____ day of
_____, February _____, 2026

x 

- a. Is this an original filing? Yes
- b. If no:
 - 1. State the amendment number: _____
 - 2. Date filed: _____
 - 3. Number of pages attached: _____



ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	339,342,328	500,000	338,842,328	508,249,121
2. Stocks (Schedule D):				
2.1 Preferred stocks	1,585,892	412,996	1,172,896	2,496,433
2.2 Common stocks	82,769,629	148,460	82,621,169	135,450,544
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$..... encumbrances)	32,042,964		32,042,964	33,688,967
4.2 Properties held for the production of income (less \$..... encumbrances)				
4.3 Properties held for sale (less \$..... encumbrances)				
5. Cash (\$.....(12,910,723), Schedule E - Part 1), cash equivalents (\$.....137,449,362, Schedule E - Part 2) and short-term investments (\$.....5,428,578, Schedule DA)	129,967,217		129,967,217	135,542,206
6. Contract loans (including \$..... premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	63,481,705	31,042,329	32,439,376	36,226,887
9. Receivables for securities	118,308		118,308	480,777
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	649,308,043	32,103,785	617,204,257	852,134,935
13. Title plants less \$..... charged off (for Title insurers only)				
14. Investment income due and accrued	2,773,722		2,773,722	3,869,776
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	98,618,324	2,040,549	96,577,775	90,232,116
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$..... earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....37,759,193) and contracts subject to redetermination (\$.....26,693,389)	64,452,582		64,452,582	49,273,973
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	113,018,310	2,126,552	110,891,758	8,059,547
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	8,436,415		8,436,415	
17. Amounts receivable relating to uninsured plans	129,244,305	27,639,253	101,605,053	85,580,903
18.1 Current federal and foreign income tax recoverable and interest thereon	23,417,121		23,417,121	1,712,283
18.2 Net deferred tax asset	85,824,137	60,617,648	25,206,489	102,594,070
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	5,708,853	2,486,893	3,221,960	4,150,587
21. Furniture and equipment, including health care delivery assets (\$.....)	4,158,981		4,158,981	5,031,358
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,596,749		1,596,749	3,265,635
24. Health care (\$.....56,759,732) and other amounts receivable	83,480,460	38,700,205	44,780,255	48,057,517
25. Aggregate write-ins for other-than-invested assets	31,636,622	30,928,963	707,659	680,412
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,301,674,624	196,643,848	1,105,030,776	1,254,643,112
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,301,674,624	196,643,848	1,105,030,776	1,254,643,112
Details of Write-Ins				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Other Benefit Costs	14,928,751	14,928,751	-	-
2502. Prepaid Expenses and Misc Receivables	16,000,212	16,000,212	-	-
2503. Cash Value Life Insurance	707,659	-	707,659	680,412
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	31,636,622	30,928,963	707,659	680,412

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....9,312,691 reinsurance ceded).....	216,176,885		216,176,885	280,923,553
2. Accrued medical incentive pool and bonus amounts.....	24,180,240		24,180,240	4,305,003
3. Unpaid claims adjustment expenses.....	3,838,000		3,838,000	4,628,000
4. Aggregate health policy reserves, including the liability of \$..... for medical loss ratio rebate per the Public Health Service Act.....	78,034,639		78,034,639	320,920,999
5. Aggregate life policy reserves.....				
6. Property/casualty unearned premium reserves.....				
7. Aggregate health claim reserves.....				
8. Premiums received in advance.....	35,481,170		35,481,170	33,787,608
9. General expenses due or accrued.....	77,204,590		77,204,590	135,697,731
10.1 Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses)).....				790,820
10.2 Net deferred tax liability.....				
11. Ceded reinsurance premiums payable.....	111,825,700		111,825,700	605,835
12. Amounts withheld or retained for the account of others.....	1,232,080		1,232,080	15,874,780
13. Remittances and items not allocated.....				
14. Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current).....				
15. Amounts due to parent, subsidiaries and affiliates.....				
16. Derivatives.....				
17. Payable for securities.....	318,568		318,568	1,655,510
18. Payable for securities lending.....				
19. Funds held under reinsurance treaties (with \$.....5,599,953 authorized reinsurers, \$..... unauthorized reinsurers and \$..... certified reinsurers).....	5,599,953		5,599,953	
20. Reinsurance in unauthorized and certified (\$.....) companies.....				
21. Net adjustments in assets and liabilities due to foreign exchange rates.....				
22. Liability for amounts held under uninsured plans.....	46,701,755		46,701,755	51,265,247
23. Aggregate write-ins for other liabilities (including \$.....32,952,554 current).....	32,952,554		32,952,554	93,932,752
24. Total liabilities (Lines 1 to 23).....	633,546,134		633,546,134	944,387,838
25. Aggregate write-ins for special surplus funds.....	XXX	XXX		-
26. Common capital stock.....	XXX	XXX	1,000,000	1,000,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX	-	-
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX		
31. Unassigned funds (surplus).....	XXX	XXX	470,484,642	309,255,273
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$.....)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$.....)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	471,484,642	310,255,273
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	1,105,030,776	1,254,643,112
Details of Write-Ins				
2301. FEP Working Capital.....	318,400		318,400	175,000
2302. Provision for Litigation.....	-		-	20,557,752
2303. Self-funded Contingency Reserve.....	19,709,154		19,709,154	73,200,000
2398. Summary of remaining write-ins for Line 23 from overflow page.....	12,925,000		12,925,000	
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	32,952,554		32,952,554	93,932,752
2501.....	XXX	XXX		
2502.....	XXX	XXX		
2503.....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX		-
3001.....	XXX	XXX		
3002.....	XXX	XXX		
3003.....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	3,853,269	3,667,105
2. Net premium income (including \$..... non-health premium income)	XXX	1,639,839,892	2,220,274,856
3. Change in unearned premium reserves and reserve for rate credits	XXX	17,050,715	18,841,840
4. Fee-for-service (net of \$..... medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Aggregate write-ins for other non-health revenues	XXX	365,515	563,805
8. Total revenues (Lines 2 to 7)	XXX	1,657,256,122	2,239,680,501
Hospital and Medical:			
9. Hospital/medical benefits		1,568,718,653	1,635,105,249
10. Other professional services		154,373,593	175,057,075
11. Outside referrals		42,211,955	72,151,780
12. Emergency room and out-of-area		32,121,061	40,788,723
13. Prescription drugs		258,656,493	235,672,847
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts		25,799,771	4,653,755
16. Subtotal (Lines 9 to 15)		2,081,881,527	2,163,429,429
Less:			
17. Net reinsurance recoveries		482,143,800	39,525,954
18. Total hospital and medical (Lines 16 minus 17)		1,599,737,727	2,123,903,475
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$..... 52,636,112 cost containment expenses		96,433,920	112,533,442
21. General administrative expenses		184,062,343	225,600,117
22. Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)		(251,900,000)	219,400,000
23. Total underwriting deductions (Lines 18 through 22)		1,628,333,990	2,681,437,034
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	28,922,132	(441,756,533)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		40,039,709	52,049,503
26. Net realized capital gains (losses) less capital gains tax of \$.....		36,133,829	14,537,617
27. Net investment gains (losses) (Lines 25 plus 26)		76,173,538	66,587,120
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29. Aggregate write-ins for other income or expenses		28,974,821	(101,469,430)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	134,070,491	(476,638,842)
31. Federal and foreign income taxes incurred	XXX	(18,394,658)	(11,346,718)
32. Net income (loss) (Lines 30 minus 31)	XXX	152,465,149	(465,292,124)
Details of Write-Ins			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX		
0701. Other Income	XXX	365,515	563,805
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	365,515	563,805
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. Software Impairment		(23,615,177)	(9,411,671)
2902. Provision for Litigation Contingencies & Other		61,258	(20,557,759)
2903. Self-funded Contingency Reserve		53,490,846	(71,500,000)
2998. Summary of remaining write-ins for Line 29 from overflow page		(962,106)	
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		28,974,821	(101,469,430)

STATEMENT OF REVENUE AND EXPENSES (CONTINUED)

		1	2
CAPITAL & SURPLUS ACCOUNT		Current Year	Prior Year
33.	Capital and surplus prior reporting year.....	310,255,274	728,983,213
34.	Net income or (loss) from Line 32.....	152,465,149	(465,292,124)
35.	Change in valuation basis of aggregate policy and claim reserves.....		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....(1,277,711).....	(24,787,547)	(15,156,390)
37.	Change in net unrealized foreign exchange capital gain or (loss).....		
38.	Change in net deferred income tax.....	(15,586,322)	93,337,208
39.	Change in nonadmitted assets.....	68,162,785	(17,114,604)
40.	Change in unauthorized and certified reinsurance.....		
41.	Change in treasury stock.....		
42.	Change in surplus notes.....	-	
43.	Cumulative effect of changes in accounting principles.....		
44.	Capital Changes:		
44.1	Paid in.....		
44.2	Transferred from surplus (stock dividend).....		1,000,000
44.3	Transferred to surplus.....		
45.	Surplus adjustments:		
45.1	Paid in.....		
45.2	Transferred to capital (stock dividend).....		(1,000,000)
45.3	Transferred from capital.....		
46.	Dividends to stockholders.....	(19,925,000)	(14,600,000)
47.	Aggregate write-ins for gains or (losses) in surplus.....	900,303	97,971
48.	Net change in capital and surplus (Lines 34 to 47).....	161,229,368	(418,727,939)
49.	Capital and surplus end of reporting year (Line 33 plus 48).....	471,484,642	310,255,274
Details of Write-Ins			
4701.	Other Comprehensive Income.....	900,303	97,971
4702.		
4703.		
4798.	Summary of remaining write-ins for Line 47 from overflow page.....		
4799.	Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	900,303	97,971

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	1,759,432,930	2,219,267,944
2. Net investment income.....	40,664,320	52,730,590
3. Miscellaneous income.....	3,062,711	563,805
4. Total (Lines 1 to 3).....	1,803,159,961	2,272,562,339
5. Benefit and loss related payments.....	1,738,914,329	2,120,465,700
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	366,232,569	305,988,360
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$..... tax on capital gains (losses).....	4,101,000	-
10. Total (Lines 5 through 9).....	2,109,247,898	2,426,454,060
11. Net cash from operations (Line 4 minus Line 10).....	(306,087,937)	(153,891,721)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	646,806,794	581,110,840
12.2 Stocks.....	82,969,945	98,457,082
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	965,822	2,777,777
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(134)	(65,410)
12.7 Miscellaneous proceeds.....	362,469	2,924,328
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	731,104,896	685,204,618
13. Cost of investments acquired (long-term only exclude cash equivalents and short-term investments):		
13.1 Bonds.....	478,907,694	451,747,278
13.2 Stocks.....	11,687,190	6,792,546
13.3 Mortgage loans.....		
13.4 Real estate.....		829,643
13.5 Other invested assets.....	1,719,744	1,886,724
13.6 Miscellaneous applications.....	1,336,942	3,384,711
13.7 Total investments acquired (Lines 13.1 to 13.6).....	493,651,569	464,640,902
14. Net increase / (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	237,453,327	220,563,716
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	-	-
16.2 Capital and paid in surplus, less treasury stock.....	-	-
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	7,000,000	14,600,000
16.6 Other cash provided (applied).....	70,059,620	(37,314,980)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	63,059,620	(51,914,980)
Reconciliation of Cash, Cash Equivalents and Short-Term Investments		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(5,574,991)	14,757,015
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	135,542,207	120,785,192
19.2 End of year (Line 18 plus Line 19.1).....	129,967,217	135,542,207

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

20.0001.Premium Deficiency Reserve.....		251,900,000
20.0002.Premium Deficiency Reserve Amortization.....	251,900,000	
20.0003.Self-funded Contingency Reserve.....		73,200,000
20.0004.Self-funded Contingency Reserve Amortization.....	53,490,846	-
20.0005.Asset Impairment.....	25,035,510	9,411,671
20.0006.Dividends Payable.....	12,925,000	-

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Net premium income	1,639,839,892	80,375,836	156,503,332	10,427,130	778,084	18,158,958	254,476,392	1,014,938,777	83,793,391				20,387,992	
2. Change in unearned premium reserves and reserve for rate credit	17,050,715	1,150,204	(310,417)	4,340,000	-	55,465	6,525,715	13,254,172	(7,964,424)				-	
3. Fee-for-service (net of \$..... medical expenses)														XXX
4. Risk revenue														XXX
5. Aggregate write-ins for other health care related revenues														XXX
6. Aggregate write-ins for other non-health care related revenues	365,515	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	365,515
7. Total revenues (Lines 1 to 6)	1,657,256,122	81,526,040	156,192,915	14,767,130	778,084	18,214,423	261,002,107	1,028,192,949	75,828,967				20,387,992	365,515
8. Hospital/medical benefits	1,568,718,653	173,310,284	278,198,850	26,750,975	-	-	198,297,955	781,308,933	60,483,930				50,367,726	XXX
9. Other professional services	154,373,593	6,628,748	17,477,363	1,680,584	1,477,681	40,924,103	7,584,473	64,398,035	12,313,817				1,888,790	XXX
10. Outside referrals	42,211,955	1,999,734	599,566	57,653	-	-	2,288,053	33,052,269	3,140,023				1,074,656	XXX
11. Emergency room and out-of-area	32,121,061	3,221,794	3,507,464	337,270	-	-	3,686,308	19,400,245	1,023,586				944,395	XXX
12. Prescription drugs	258,656,493	25,646,381	41,625,961	2,051	-	-	50,740,447	139,883,291	758,362				-	XXX
13. Aggregate write-ins for other hospital and medical														XXX
14. Incentive pool, withhold adjustments and bonus amounts	25,799,771	4,559,790	1,637,540	-	-	-	-	19,602,441	-				-	XXX
15. Subtotal (Lines 8 to 14)	2,081,881,527	215,366,731	343,046,745	28,828,533	1,477,681	40,924,103	262,597,237	1,057,645,213	77,719,718				54,275,566	XXX
16. Net reinsurance recoveries	482,143,800	155,665,158	222,100,330	18,233,782	945,687	25,936,978	22,870,521	2,199,176	-				34,192,169	XXX
17. Total hospital and medical (Lines 15 minus 16)	1,599,737,727	59,701,573	120,946,415	10,594,751	531,994	14,987,125	239,726,716	1,055,446,037	77,719,718				20,083,397	XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....52,636,112 cost containment expenses	96,433,922	10,522,461	17,643,151	2,288,997	78,696	1,395,118	7,349,830	45,985,425	4,541,919				6,628,324	
20. General administrative expenses	184,062,342	22,730,238	25,028,604	4,130,812	28,076	1,201,853	12,968,257	89,180,735	4,146,055				24,647,714	
21. Increase in reserves for accident and health contracts	(251,900,000)			(960,499)				(241,540,860)	(9,398,642)					XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	1,628,333,991	92,954,272	163,618,170	16,054,062	638,766	17,584,095	260,044,802	949,071,338	77,009,050				51,359,436	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	28,922,131	(11,428,232)	(7,425,255)	(1,286,932)	139,318	630,327	957,305	79,121,611	(1,180,083)				(30,971,444)	365,515
Details of Write-Ins														
0501.														XXX
0502.														XXX
0503.														XXX
0598. Summary of remaining write-ins for Line 5 from overflow page														XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)														XXX
0601. Other Income & Asset Disposals	365,515	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	365,515
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	365,515	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	365,515
1301.														XXX
1302.														XXX
1303.														XXX
1398. Summary of remaining write-ins for Line 13 from overflow page														XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)														XXX

7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS

Line of Business		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1.	Comprehensive (hospital and medical) individual.....	205,644,072		125,268,236	80,375,836
2.	Comprehensive (hospital and medical) group.....	394,040,661		237,537,329	156,503,332
3.	Medicare supplement.....	32,577,826		22,150,695	10,427,130
4.	Vision only.....	1,945,209		1,167,125	778,084
5.	Dental only.....	45,480,592		27,321,634	18,158,958
6.	Federal employees health benefits plan.....	278,700,910		24,224,518	254,476,392
7.	Title XVIII – Medicare.....	1,015,181,620		242,843	1,014,938,777
8.	Title XIX – Medicaid.....	83,793,442		51	83,793,391
9.	Credit A&H.....				
10.	Disability income.....				
11.	Long-term care.....				
12.	Other health.....	52,991,785		32,603,793	20,387,992
13.	Health subtotal (Lines 1 through 12).....	2,110,356,117		470,516,224	1,639,839,892
14.	Life.....				
15.	Property/casualty.....				
16.	Totals (Lines 13 to 15).....	2,110,356,117		470,516,224	1,639,839,892

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
		2	3											
		Total	Individual											
1	Payments during the year:													
1.1	Direct	2,107,522,018	206,365,487	338,906,067	28,764,185	1,191,904	40,753,919	263,925,694	1,048,517,498	125,152,698			53,944,566	
1.2	Reinsurance assumed													
1.3	Reinsurance ceded	372,749,024	126,371,724	169,940,531	13,616,543	724,518	19,934,036	15,112,605	841,310				26,207,757	
1.4	Net	1,734,772,994	79,993,763	168,965,536	15,147,642	467,386	20,819,883	248,813,089	1,047,676,188	125,152,698			27,736,809	
2.	Paid medical incentive pools and bonuses	5,924,533	3,701,252	1,117,355					1,105,926					
3.	Claim liability December 31, current year from Part 2A:													
3.1	Direct	225,489,577	29,153,168	44,473,424	4,160,000	967,951	1,935,000	46,485,249	90,803,598	505,188			7,006,000	
3.2	Reinsurance assumed													
3.3	Reinsurance ceded	9,312,692	7,376,492	(1,806,000)	33,600	(6,000)	92,400	3,423,600					198,600	
3.4	Net	216,176,885	21,776,676	46,279,424	4,126,400	973,951	1,842,600	43,061,649	90,803,598	505,188			6,807,400	
4.	Claim reserve December 31, current year from Part 2D:													
4.1	Direct													
4.2	Reinsurance assumed													
4.3	Reinsurance ceded													
4.4	Net													
5.	Accrued medical incentive pools and bonuses, current year	24,180,240	3,389,190	1,434,780					19,356,270					
6.	Net health care receivables (a)	(8,233,800)	1,591,548	(8,845,691)	(8,348)		(16,184)	1,363,685	(2,351,487)	32,677				
7.	Amounts recoverable from reinsurers December 31, current year	113,018,310	32,693,476	54,414,091	4,583,638	227,169	5,910,542	4,334,316	2,126,552				8,728,526	
8.	Claim liability December 31, prior year from Part 2A:													
8.1	Direct	285,163,641	23,117,948	50,809,152	4,105,766	679,408	1,781,000	46,450,022	103,653,012	47,892,334			6,675,000	
8.2	Reinsurance assumed													
8.3	Reinsurance ceded	4,240,088	4,240,088											
8.4	Net	280,923,553	18,877,860	50,809,152	4,105,766	679,408	1,781,000	46,450,022	103,653,012	47,892,334			6,675,000	
9.	Claim reserve December 31, prior year from Part 2D:													
9.1	Direct													
9.2	Reinsurance assumed													
9.3	Reinsurance ceded													
9.4	Net													
10.	Accrued medical incentive pools and bonuses, prior year	4,305,003	2,530,652	914,596					859,755					
11.	Amounts recoverable from reinsurers December 31, prior year	8,696,138	6,536,446	448,292					768,686				942,715	
12.	Incurred benefits:													
12.1	Direct	2,056,081,753	210,809,159	341,416,030	28,826,767	1,480,447	40,924,103	262,597,236	1,038,019,571	77,732,875			54,275,566	
12.2	Reinsurance assumed													
12.3	Reinsurance ceded	482,143,799	155,665,158	222,100,330	18,233,781	945,687	25,936,978	22,870,521	2,199,176				34,192,168	
12.4	Net	1,573,937,954	55,144,001	119,315,700	10,592,986	534,760	14,987,125	239,726,715	1,035,820,395	77,732,875			20,083,398	
13.	Incurred medical incentive pools and bonuses	25,799,770	4,559,790	1,637,539					19,602,441					

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A – CLAIMS LIABILITY END OF CURRENT YEAR

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
		2	3											
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:														
1.1 Direct	16,239,328	1,816,168	3,031,424		875,951			10,461,598	54,188					
1.2 Reinsurance assumed														
1.3 Reinsurance ceded														
1.4 Net	16,239,328	1,816,168	3,031,424		875,951			10,461,598	54,188					
2. Incurred but Unreported:														
2.1 Direct	209,250,249	27,337,000	41,442,000	4,160,000	92,000	1,935,000	46,485,249	80,342,000	451,000				7,006,000	
2.2 Reinsurance assumed														
2.3 Reinsurance ceded	9,312,692	7,376,492	(1,806,000)	33,600	(6,000)	92,400	3,423,600						198,600	
2.4 Net	199,937,557	19,960,508	43,248,000	4,126,400	98,000	1,842,600	43,061,649	80,342,000	451,000				6,807,400	
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct														
3.2 Reinsurance assumed														
3.3 Reinsurance ceded														
3.4 Net														
4. TOTALS:														
4.1 Direct	225,489,577	29,153,168	44,473,424	4,160,000	967,951	1,935,000	46,485,249	90,803,598	505,188				7,006,000	
4.2 Reinsurance assumed														
4.3 Reinsurance ceded	9,312,692	7,376,492	(1,806,000)	33,600	(6,000)	92,400	3,423,600						198,600	
4.4 Net	216,176,885	21,776,676	46,279,424	4,126,400	973,951	1,842,600	43,061,649	90,803,598	505,188				6,807,400	

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B – ANALYSIS OF CLAIMS UNPAID – PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual	(1,876,825)	55,713,558	(88,000)	21,864,676	(1,964,825)	18,877,860
2. Comprehensive (hospital and medical) group	15,999,874	98,999,863	(54,000)	46,333,424	15,945,874	50,809,152
3. Medicare supplement	3,334,493	7,229,510	39,000	4,087,400	3,373,493	4,105,766
4. Vision only	647,243	(407,026)		973,951	647,243	679,408
5. Dental only	1,206,374	13,702,966	2,000	1,840,600	1,208,374	1,781,000
6. Federal employees health benefits plan	32,992,203	211,486,570	1,176,000	41,885,649	34,168,203	46,450,022
7. Title XVIII – Medicare	15,458,691	1,030,859,631	(71,000)	90,874,598	15,387,691	103,653,012
8. Title XIX – Medicaid	25,919,317	99,233,381	67,000	438,188	25,986,317	47,892,334
9. Credit A&H						
10. Disability income						
11. Long-term care						
12. Other health	3,646,761	16,304,237	(1,000)	6,808,400	3,645,761	6,675,000
13. Health subtotal (Lines 1 to 12)	97,328,131	1,533,122,690	1,070,000	215,106,886	98,398,131	280,923,553
14. Health care receivables (a)	127,888	91,382,853			127,888	99,744,542
15. Other non-health						
16. Medical incentive pools and bonus amounts	5,465,966	458,568		24,180,240	5,465,966	4,305,003
17. Totals (Lines 13 - 14 + 15 + 16)	102,666,209	1,442,198,405	1,070,000	239,287,126	103,736,209	185,484,013

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

UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
GRAND TOTAL

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior.....	148,676	155,918	155,918	155,918	155,918
2. 2021.....	1,720,016	1,904,176	1,903,940	1,903,940	1,903,940
3. 2022.....	XXX	1,773,796	1,952,451	1,952,904	1,952,904
4. 2023.....	XXX	XXX	1,903,362	2,069,702	2,071,330
5. 2024.....	XXX	XXX	XXX	1,948,978	2,051,771
6. 2025.....	XXX	XXX	XXX	XXX	1,533,581

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior.....	155,918	155,918	155,918	155,918	155,918
2. 2021.....	1,961,442	1,903,940	1,903,940	1,903,940	1,903,940
3. 2022.....	XXX	2,046,259	1,952,904	1,952,904	1,952,904
4. 2023.....	XXX	XXX	2,190,641	2,071,330	2,071,330
5. 2024.....	XXX	XXX	XXX	2,232,579	2,052,841
6. 2025.....	XXX	XXX	XXX	XXX	1,772,869

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021.....	2,162,672	1,903,940	14,229	0.747	1,918,169	88.694	–	–	1,918,169	88.694
2. 2022.....	2,243,773	1,952,904	7,821	0.400	1,960,725	87.385	–	–	1,960,725	87.385
3. 2023.....	2,330,296	2,071,330	22,492	1.086	2,093,822	89.852	–	–	2,093,822	89.852
4. 2024.....	2,239,117	2,051,771	57,961	2.825	2,109,732	94.222	1,070	20	2,110,822	94.270
5. 2025.....	1,656,890	1,533,581	74,744	4.874	1,608,325	97.069	239,288	3,818	1,851,431	111.741

12.GT

UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
HOSPITAL & MEDICAL

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	58,272	65,086	65,086	65,086	65,086
2. 2021	810,072	897,290	896,891	896,891	896,891
3. 2022	XXX	793,106	865,223	865,262	865,262
4. 2023	XXX	XXX	818,968	869,476	870,151
5. 2024	XXX	XXX	XXX	647,051	665,993
6. 2025	XXX	XXX	XXX	XXX	154,713

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	65,086	65,086	65,086	65,086	65,086
2. 2021	919,088	896,891	896,891	896,891	896,891
3. 2022	XXX	912,713	865,262	865,262	865,262
4. 2023	XXX	XXX	931,347	870,151	870,151
5. 2024	XXX	XXX	XXX	719,508	665,851
6. 2025	XXX	XXX	XXX	XXX	227,735

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	994,477	896,891	9,980	1.113	906,871	91.191	-	-	906,871	91.191
2. 2022	992,799	865,262	6,974	0.806	872,236	87.856	-	-	872,236	87.856
3. 2023	1,007,296	870,151	22,580	2.595	892,731	88.626	-	-	892,731	88.626
4. 2024	805,811	665,993	47,502	7.133	713,495	88.544	(142)	(2)	713,351	88.526
5. 2025	237,719	154,713	9,883	6.388	164,596	69.240	73,022	1,201	238,819	100.463

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UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
MEDICARE SUPPLEMENT

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	2,074	2,095	2,095	2,095	2,095
2. 2021	14,984	17,308	17,310	17,310	17,310
3. 2022	XXX	15,616	18,185	18,181	18,181
4. 2023	XXX	XXX	16,357	19,010	19,020
5. 2024	XXX	XXX	XXX	18,299	21,633
6. 2025	XXX	XXX	XXX	XXX	7,230

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	2,095	2,095	2,095	2,095	2,095
2. 2021	17,435	17,310	17,310	17,310	17,310
3. 2022	XXX	18,202	18,181	18,181	18,181
4. 2023	XXX	XXX	19,202	19,020	19,020
5. 2024	XXX	XXX	XXX	22,395	21,672
6. 2025	XXX	XXX	XXX	XXX	11,317

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	22,179	17,310	793	4.581	18,103	81.622	–	–	18,103	81.622
2. 2022	22,839	18,181	760	4.180	18,941	82.933	–	–	18,941	82.933
3. 2023	23,340	19,020	768	4.038	19,788	84.781	–	–	19,788	84.781
4. 2024	26,189	21,633	536	2.478	22,169	84.650	39	1	22,209	84.803
5. 2025	14,767	7,230	1,228	16.985	8,458	57.276	4,087	71	12,616	85.434

12.MS

UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
DENTAL ONLY

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior.....	929	957	957	957	957
2. 2021.....	29,475	30,787	30,787	30,787	30,787
3. 2022.....	XXX	30,526	32,340	32,358	32,358
4. 2023.....	XXX	XXX	33,796	36,537	36,538
5. 2024.....	XXX	XXX	XXX	36,367	37,573
6. 2025.....	XXX	XXX	XXX	XXX	13,703

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior.....	957	957	957	957	957
2. 2021.....	31,457	30,787	30,787	30,787	30,787
3. 2022.....	XXX	31,543	32,358	32,358	32,358
4. 2023.....	XXX	XXX	36,139	36,538	36,538
5. 2024.....	XXX	XXX	XXX	38,147	37,575
6. 2025.....	XXX	XXX	XXX	XXX	15,544

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021.....	34,170	30,787	(969)	(3.147)	29,818	87.264	–	–	29,818	87.264
2. 2022.....	36,840	32,358	836	2.584	33,194	90.103	–	–	33,194	90.103
3. 2023.....	40,767	36,538	(834)	(2.283)	35,704	87.581	–	–	35,704	87.581
4. 2024.....	43,023	37,573	1,212	3.226	38,785	90.149	2	–	38,787	90.154
5. 2025.....	18,214	13,703	801	5.845	14,504	79.631	1,841	32	16,377	89.914

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UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
VISION ONLY

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior.....		1,297	1,297	1,297	1,297
2. 2021.....	1,938	3,428	3,428	3,428	3,428
3. 2022.....	XXX	2,123	3,465	3,465	3,465
4. 2023.....	XXX	XXX	1,520	3,026	3,026
5. 2024.....	XXX	XXX	XXX	2,232	2,879
6. 2025.....	XXX	XXX	XXX	XXX	(407)

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior.....		1,297	1,297	1,297	1,297
2. 2021.....	3,446	3,428	3,428	3,428	3,428
3. 2022.....	XXX	3,508	3,465	3,465	3,465
4. 2023.....	XXX	XXX	3,053	3,026	3,026
5. 2024.....	XXX	XXX	XXX	2,911	2,879
6. 2025.....	XXX	XXX	XXX	XXX	567

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021.....	4,281	3,428	62	1.809	3,490	81.523	–	–	3,490	81.523
2. 2022.....	4,641	3,465	328	9.466	3,793	81.728	–	–	3,793	81.728
3. 2023.....	5,007	3,026	344	11.368	3,370	67.306	–	–	3,370	67.306
4. 2024.....	3,520	2,879	473	16.429	3,352	95.227	–	–	3,352	95.227
5. 2025.....	778	(407)	40	(9.828)	(367)	(47.172)	974	2	609	78.278

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UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
FEDERAL EMPLOYEES HEALTH BENEFITS PLAN

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior.....	25,824	25,800	25,800	25,800	25,800
2. 2021.....	172,774	199,602	199,371	199,371	199,371
3. 2022.....	XXX	165,709	202,919	203,094	203,094
4. 2023.....	XXX	XXX	190,361	228,867	229,593
5. 2024.....	XXX	XXX	XXX	217,758	250,750
6. 2025.....	XXX	XXX	XXX	XXX	211,487

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior.....	25,800	25,800	25,800	25,800	25,800
2. 2021.....	204,944	199,371	199,371	199,371	199,371
3. 2022.....	XXX	209,222	203,094	203,094	203,094
4. 2023.....	XXX	XXX	237,973	229,593	229,593
5. 2024.....	XXX	XXX	XXX	263,482	251,926
6. 2025.....	XXX	XXX	XXX	XXX	253,372

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021.....	215,135	199,371	114	0.057	199,485	92.725	–	–	199,485	92.725
2. 2022.....	221,013	203,094	(7,305)	(3.597)	195,789	88.587	–	–	195,789	88.587
3. 2023.....	251,738	229,593	(124)	(0.054)	229,469	91.154	–	–	229,469	91.154
4. 2024.....	275,569	250,750	5,617	2.240	256,367	93.032	1,176	20	257,563	93.466
5. 2025.....	261,002	211,487	5,377	2.542	216,864	83.089	41,885	812	259,561	99.448

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UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
TITLE XVIII MEDICARE

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	32,884	32,880	32,880	32,880	32,880
2. 2021	473,076	500,264	500,264	500,264	500,264
3. 2022	XXX	538,303	569,220	569,286	569,286
4. 2023	XXX	XXX	597,806	641,417	641,487
5. 2024	XXX	XXX	XXX	763,311	779,417
6. 2025	XXX	XXX	XXX	XXX	1,031,318

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	32,880	32,880	32,880	32,880	32,880
2. 2021	540,425	500,264	500,264	500,264	500,264
3. 2022	XXX	607,423	569,286	569,286	569,286
4. 2023	XXX	XXX	685,320	641,487	641,487
5. 2024	XXX	XXX	XXX	867,754	779,346
6. 2025	XXX	XXX	XXX	XXX	1,141,549

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	569,481	500,264	2,660	0.532	502,924	88.313	–	–	502,924	88.313
2. 2022	616,500	569,286	8,250	1.449	577,536	93.680	–	–	577,536	93.680
3. 2023	669,722	641,487	(3,137)	(0.489)	638,350	95.316	–	–	638,350	95.316
4. 2024	762,708	779,417	6,180	0.793	785,597	103.001	(71)	(1)	785,525	102.992
5. 2025	1,028,193	1,031,318	16,650	1.614	1,047,968	101.923	110,231	1,572	1,159,771	112.797

UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
TITLE XIX MEDICAID

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	21,343	21,394	21,394	21,394	21,394
2. 2021	182,763	211,654	211,691	211,691	211,691
3. 2022	XXX	191,661	215,729	215,795	215,795
4. 2023	XXX	XXX	212,922	238,178	238,305
5. 2024	XXX	XXX	XXX	221,766	247,685
6. 2025	XXX	XXX	XXX	XXX	99,233

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	21,394	21,394	21,394	21,394	21,394
2. 2021	205,099	211,691	211,691	211,691	211,691
3. 2022	XXX	219,014	215,795	215,795	215,795
4. 2023	XXX	XXX	241,290	238,305	238,305
5. 2024	XXX	XXX	XXX	269,532	247,752
6. 2025	XXX	XXX	XXX	XXX	99,672

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	278,754	211,691	934	0.441	212,625	76.277	–	–	212,625	76.277
2. 2022	304,640	215,795	(2,335)	(1.082)	213,460	70.070	–	–	213,460	70.070
3. 2023	291,825	238,305	(1,294)	(0.543)	237,011	81.217	–	–	237,011	81.217
4. 2024	278,148	247,685	(5,905)	(2.384)	241,780	86.925	67	2	241,849	86.950
5. 2025	75,829	99,233	38,852	39.152	138,085	182.101	439	7	138,531	182.689

UNDERWRITING AND INVESTMENT EXHIBIT
 PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
OTHER HEALTH

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	6,053	6,409	6,409	6,409	6,409
2. 2021	34,934	43,843	44,198	44,198	44,198
3. 2022	XXX	36,752	45,370	45,463	45,463
4. 2023	XXX	XXX	31,632	33,191	33,210
5. 2024	XXX	XXX	XXX	42,194	45,841
6. 2025	XXX	XXX	XXX	XXX	16,304

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	6,409	6,409	6,409	6,409	6,409
2. 2021	39,548	44,198	44,198	44,198	44,198
3. 2022	XXX	44,634	45,463	45,463	45,463
4. 2023	XXX	XXX	36,317	33,210	33,210
5. 2024	XXX	XXX	XXX	48,850	45,840
6. 2025	XXX	XXX	XXX	XXX	23,113

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	44,195	44,198	655	1.482	44,853	101.489	–	–	44,853	101.489
2. 2022	44,501	45,463	313	0.688	45,776	102.865	–	–	45,776	102.865
3. 2023	40,601	33,210	4,189	12.614	37,399	92.113	–	–	37,399	92.113
4. 2024	44,149	45,841	2,346	5.118	48,187	109.146	(1)	–	48,186	109.144
5. 2025	20,388	16,304	1,913	11.733	18,217	89.352	6,809	121	25,147	123.342

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UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
1. Unearned premium reserves													
2. Additional policy reserves (a)													
3. Reserve for future contingent benefits													
4. Reserve for rate credits or experience rating refunds (including \$..... for investment income)	32,990,725	8,619,752	620,516					3,052,395	20,698,062				
5. Aggregate write-ins for other policy reserves	45,043,914						44,607,629	436,285					
6. Totals (gross)	78,034,639	8,619,752	620,516				44,607,629	3,488,680	20,698,062				
7. Reinsurance ceded													
8. Totals (Net) (Page 3, Line 4)	78,034,639	8,619,752	620,516				44,607,629	3,488,680	20,698,062				
9. Present value of amounts not yet due on claims													
10. Reserve for future contingent benefits													
11. Aggregate write-ins for other claim reserves													
12. Totals (gross)													
13. Reinsurance ceded													
14. Totals (Net) (Page 3, Line 7)													
Details of Write-Ins													
0501. FEP Rate Stabilization Reserve	44,607,629						44,607,629						
0502. RAD-V Payable	436,285							436,285					
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page													
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	45,043,914						44,607,629	436,285					
1101.													
1102.													
1103.													
1198. Summary of remaining write-ins for Line 11 from overflow page													
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)													

(a) Includes \$ – premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 – ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$..... for occupancy of own building).....			6,864,326		6,864,326
2. Salaries, wages and other benefits.....	44,002,847	22,449,769	118,541,626	291,953	185,286,195
3. Commissions (less \$..... ceded plus \$..... assumed).....			33,379,027		33,379,027
4. Legal fees and expenses.....	(30)		4,331,774		4,331,744
5. Certifications and accreditation fees.....					
6. Auditing, actuarial and other consulting services.....	3,964,161	1,494,183	4,741,781		10,200,125
7. Traveling expenses.....	185,757	63,372	1,357,177		1,606,306
8. Marketing and advertising.....	617		5,492,417		5,493,034
9. Postage, express and telephone.....	247,679	3,035,887	2,545,966		5,829,532
10. Printing and office supplies.....	87,106	1,442,242	3,289,468		4,818,816
11. Occupancy, depreciation and amortization.....			137,222		137,222
12. Equipment.....	290,990	176,636	1,315,065		1,782,691
13. Cost or depreciation of EDP equipment and software.....	10,868,083	21,764,043	33,505,951		66,138,077
14. Outsourced services including EDP, claims, and other services.....	10,739,037	14,187,679	28,673,046		53,599,762
15. Boards, bureaus and association fees.....	76,154	11,897	1,497,987		1,586,038
16. Insurance, except on real estate.....	31,500	15,971	3,499,901		3,547,372
17. Collection and bank service charges.....	(16)		297,947		297,931
18. Group service and administration fees.....	2,147,628		16,038,748		18,186,376
19. Reimbursements by uninsured plans.....	(24,726,006)	(22,759,185)	(73,862,810)		(121,348,001)
20. Reimbursements from fiscal intermediaries.....					
21. Real estate expenses.....	729,587	428,568	349,316		1,507,471
22. Real estate taxes.....			218,954		218,954
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			348		348
23.2 State premium taxes.....			5,342,749		5,342,749
23.3 Regulatory authority licenses and fees.....	2,311	461	4,910,987		4,913,759
23.4 Payroll taxes.....	2,568,828	1,328,017	6,427,448		10,324,293
23.5 Other (excluding federal income and real estate taxes).....					
24. Investment expenses not included elsewhere.....				1,424,529	1,424,529
25. Aggregate write-ins for expenses.....	1,419,879	158,268	(24,834,078)		(23,255,931)
26. Total expenses incurred (Lines 1 to 25).....	52,636,112	43,797,808	184,062,343	1,716,482	(a) 282,212,745
27. Less expenses unpaid December 31, current year.....			76,826,599	377,991	77,204,590
28. Add expenses unpaid December 31, prior year.....			135,206,223	491,509	135,697,731
29. Amounts receivable relating to uninsured plans, prior year.....			85,580,903		85,580,903
30. Amounts receivable relating to uninsured plans, current year.....			101,605,052		101,605,052
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	52,636,112	43,797,808	258,466,116	1,830,000	356,730,036
Details of Write-Ins					
2501. Contributions.....			914,936		914,936
2502. Value-based and wellness incentives.....	1,364,629				1,364,629
2503. Interplan program host fees.....	965		(9,954,658)		(9,953,693)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	54,285	158,268	(15,794,356)		(15,581,803)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,419,879	158,268	(24,834,078)		(23,255,931)

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) 1,861,863	1,747,121
1.1	Bonds exempt from U.S. tax	(a) -	-
1.2	Other bonds (unaffiliated)	(a) 24,573,753	23,760,968
1.3	Bonds of affiliates	(a) -	-
2.1	Preferred stocks (unaffiliated)	(b) 164,802	167,864
2.11	Preferred stocks of affiliates	(b) -	-
2.2	Common stocks (unaffiliated)	-	-
2.21	Common stocks of affiliates	1,640,915	1,513,977
3.	Mortgage loans	(c) -	-
4.	Real estate	(d) -	5,944,632
5.	Contract loans	-	-
6.	Cash, cash equivalents and short-term investments	(e) 7,856,390	7,811,739
7.	Derivative instruments	(f) -	-
8.	Other invested assets	2,078,168	2,078,168
9.	Aggregate write-ins for investment income	1,579,692	1,579,692
10.	Total gross investment income	39,755,583	44,604,161
11.	Investment expenses	-	(g) 1,716,482
12.	Investment taxes, licenses and fees, excluding federal income taxes	-	(g) -
13.	Interest expense	-	(h) 1,201,967
14.	Depreciation on real estate and other invested assets	-	(i) 1,646,003
15.	Aggregate write-ins for deductions from investment income	-	-
16.	Total deductions (Lines 11 through 15)	-	4,564,452
17.	Net investment income (Line 10 minus Line 16)	-	40,039,709
Details of Write-Ins			
0901.	FEP Interest	1,579,692	1,579,692
0902.		-	-
0903.		-	-
0998.	Summary of remaining write-ins for Line 9 from overflow page	-	-
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	1,579,692	1,579,692
1501.		-	-
1502.		-	-
1503.		-	-
1598.	Summary of remaining write-ins for Line 15 from overflow page	-	-
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)	-	-

- (a) Includes \$2,288,731 accrual of discount less \$271,114 amortization of premium and less \$1,599,058 paid for accrued interest on purchases.
- (b) Includes \$- accrual of discount less \$13,688 amortization of premium and less \$19,028 paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$184,229 accrual of discount less \$- amortization of premium and less \$- paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$1,646,003 depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	1,035,119	-	1,035,119	(294,042)	-
1.1	Bonds exempt from U.S. tax	-	-	-	-	-
1.2	Other bonds (unaffiliated)	170,484	(3,036,796)	(2,866,312)	(1,400,073)	-
1.3	Bonds of affiliates	-	-	-	-	-
2.1	Preferred stocks (unaffiliated)	(12,438)	-	(12,438)	(729,649)	-
2.11	Preferred stocks of affiliates	-	-	-	-	-
2.2	Common stocks (unaffiliated)	37,582,165	-	37,582,165	(19,643,575)	-
2.21	Common stocks of affiliates	-	-	-	15,747	-
3.	Mortgage loans	-	-	-	-	-
4.	Real estate	-	-	-	-	-
5.	Contract loans	-	-	-	-	-
6.	Cash, cash equivalents and short-term investments	(134)	-	(134)	-	-
7.	Derivative instruments	-	-	-	-	-
8.	Other invested assets	395,429	-	395,429	17,218,414	-
9.	Aggregate write-ins for capital gains (losses)	-	-	-	-	-
10.	Total capital gains (losses)	39,170,625	(3,036,796)	36,133,829	(4,833,178)	-
Details of Write-Ins						
0901.		-	-	-	-	-
0902.		-	-	-	-	-
0903.		-	-	-	-	-
0998.	Summary of remaining write-ins for Line 9 from overflow page	-	-	-	-	-
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	-	-	-	-	-

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 – Col. 1)
1. Bonds (Schedule D).....	500,000	500,000	-
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	412,996	412,996	-
2.2 Common stocks.....	148,460	79,741	(68,719)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale.....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			
6. Contract loans.....			
7. Derivatives (Schedule DB).....			
8. Other invested assets (Schedule BA).....	31,042,329	30,119,132	(923,197)
9. Receivables for securities.....			
10. Securities lending reinvested collateral assets (Schedule DL).....			
11. Aggregate write-ins for invested assets.....			
12. Subtotals, cash and invested assets (Lines 1 to 11).....	32,103,785	31,111,869	(991,916)
13. Title plants (for Title insurers only).....			
14. Investment income due and accrued.....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	2,040,549	4,180,075	2,139,526
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	2,126,552	636,591	(1,489,961)
16.2 Funds held by or deposited with reinsured companies.....			
16.3 Other amounts receivable under reinsurance contracts.....			
17. Amounts receivable relating to uninsured plans.....	27,639,253	25,693,251	(1,946,001)
18.1 Current federal and foreign income tax recoverable and interest thereon.....			
18.2 Net deferred tax asset.....	60,617,648	25,312,297	(35,305,351)
19. Guaranty funds receivable or on deposit.....			
20. Electronic data processing equipment and software.....	2,486,893	119,713,216	117,226,322
21. Furniture and equipment, including health care delivery assets.....		281,026	281,026
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			
23. Receivables from parent, subsidiaries and affiliates.....			
24. Health care and other amounts receivable.....	38,700,205	48,137,140	9,436,935
25. Aggregate write-ins for other-than-invested assets.....	30,928,963	37,514,789	6,585,826
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	196,643,848	292,580,254	95,936,406
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
28. Total (Lines 26 and 27).....	196,643,848	292,580,254	95,936,406
Details of Write-Ins			
1101.....			
1102.....			
1103.....			
1198. Summary of remaining write-ins for Line 11 from overflow page.....			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....			
2501. Other Benefit Costs.....	14,928,751	15,042,177	113,426
2502. Prepaid Expenses and Misc Receivables.....	16,000,212	22,472,612	6,472,400
2503.....			
2598. Summary of remaining write-ins for Line 25 from overflow page.....			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	30,928,963	37,514,789	6,585,826

EXHIBIT 1 – ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	68,854	88,827	76,553	75,935	75,252	969,899
2. Provider Service Organizations.....						
3. Preferred Provider Organizations.....	185,695	181,944	180,417	182,253	179,655	2,156,724
4. Point of Service.....	39,324	46,695	46,490	46,307	45,130	576,571
5. Indemnity Only.....	11,145	11,936	12,365	12,927	13,433	150,075
6. Aggregate write-ins for other lines of business.....						
7. Total.....	305,019	329,402	315,825	317,422	313,470	3,853,269
Details of Write-Ins						
0601.....						
0602.....						
0603.....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....						
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....						

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Blue Cross of Idaho Health Service, Inc. (the Company) are presented on the basis of accounting practices prescribed or permitted by the Idaho Department of Insurance (DOI). The DOI recognizes only these statutory accounting and prescribed or permitted practices for determining and reporting an insurance company's financial condition and results of operations and for determining solvency under Idaho State Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (SAP) has been adopted as a component of prescribed or permitted practices by the State of Idaho.

The State of Idaho has adopted a prescribed accounting practice that differs from NAIC SAP. Specifically, certain furniture and equipment are admitted up to one percent of other assets of the insurer under Idaho State Law. The prescribed practice does not impact the calculation of net income or prevent the triggering of a regulatory event in the Company's risk-based capital calculation.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Idaho is shown below:

	SSAP #	F/S Page	F/S Line #	2025	2024
Net Income					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 152,465,149	\$ (465,292,124)
(2) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(3) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 152,465,149</u>	<u>\$ (465,292,124)</u>
Surplus					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 471,484,642	\$ 310,255,273
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
1A		2	21	4,158,981	5,031,358
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 467,325,661</u>	<u>\$ 305,223,915</u>

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. As additional information becomes available, or actual amounts are determinable, the recorded estimates will be revised. Actual results could differ from these estimates.

C. Accounting Policy

Premium revenue is recognized during the month in which policyholder coverage is provided. The unrecognized portion of premiums received is recorded as premiums received in advance. All costs of acquiring new insurance business, including sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method. Non-investment grade bonds are stated at the lower of amortized cost or fair market value.
- (3) Common stocks are stated at fair market value.
- (4) Preferred stocks are stated in accordance with the guidance provided in Statement of Statutory Accounting Principle SSAP No. 32, *Investments in Preferred Stock*.
- (5) The Company does not have direct investments in mortgage loans.
- (6) Loan-backed securities are stated at amortized cost using the "pro-rata" method, whereby amortized value is always based on the initial amortized value ratio times the par balance as of the end of the current processing month. As principal is received, the entire discount or premium on the portion received is recognized in its entirety, directly mirroring the cash flows.
- (7) The Company has no investments in subsidiaries, controlled and affiliated entities.
- (8) The Company accounts for its partnership investment described in Note 3.A. using the statutory equity method of accounting. The difference between total cost and book value of the investment has been recorded as goodwill, which is being amortized to unrealized capital gains and losses on a straight-line basis over a period of 10 years.
- (9) The Company has no investments in derivatives.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54R, *Individual and Group Accident and Health Contracts*.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern (Continued)

(11) Unpaid losses and loss adjustment expenses may include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates, and for establishing the resulting liability, are continually reviewed and any adjustments to estimates are reflected in the period determined.

(12) The Company has not modified its capitalization policy from the prior period.

(13) The Company estimates pharmaceutical rebate receivables based on historical experience, modified for current trends.

D. Going Concern

There have been no conditions or events which would raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

2. Accounting Changes and Corrections of Errors - Not Applicable

3. Business Combinations and Goodwill

A. Statutory Purchase Method

On April 1, 2019, the Company purchased 40% of the common units of Alliance Medical Group, LLC (doing business as Primary Health Medical Group), an Idaho-based primary medical practice group. Total cost of this investment was \$30.9 million, resulting in goodwill of \$26.2 million and goodwill amortization of \$17.7 million as of December 31, 2025. The purchase agreement includes potential future payments up to a total of \$5.3 million based on revenue performance through December 31, 2025. As of December 31, 2025, the Company has made \$5.3 million of earnout payments under the purchase agreement and has no remaining liability for future payouts.

The transaction was accounted for as a statutory purchase and reflects the following:

1	2	3	4	5	6	7	8	9
Purchased entity	Acquisition date	Cost of acquired entity	Original amount of goodwill	Original amount of admitted goodwill	Admitted goodwill as of the reporting date	Amount of goodwill amortized during the reporting period	Book Value of SCA	Admitted goodwill as a % of SCA BACV, gross of admitted goodwill Col. 6/Col. 8
Alliance Medical Group	04/01/2019	\$ 30,888,774	\$ 26,157,020	\$ 26,157,020	\$ 8,501,031	\$ 2,615,702	\$ 13,085,652	64.965 %
Total	XXX	\$ 30,888,774	\$ 26,157,020	\$ 26,157,020	\$ 8,501,031	\$ 2,615,702	\$ 13,085,652	XXX

B. Statutory Merger

(1) In 2013, the Company sponsored the formation of Idaho Care Plus, Inc. (Care Plus) for the purpose of transacting business in Idaho as a managed care organization and operating the Medicare Advantage Plan contracts, as fully described in Note 10.A. Effective October 1, 2025, the Company and Care Plus completed a statutory merger with the Company as the surviving insurer. The merger was approved by the DOI.

(2) The merger was accounted for using the statutory merger method in accordance with SSAP No. 68 – Business Combinations and Goodwill. The assets, liabilities and surplus of Care Plus were combined with the Company at their historical statutory book values with the exception of intercompany payables and receivables, which were eliminated as described further in Note 3.B.(5). No acquisition costs or goodwill were recognized in the transaction. Financial statements for the prior period have been restated to reflect the combined operations of the Company and Care Plus.

(3) Shares of stock issued in transaction - Not Applicable

(4) The financial statements for the current year have been prepared as though the merger occurred at the beginning of the reporting year. Results of operations of the Company and Care Plus prior to the merger that are included in the combined results are as follows:

	Company	Care Plus
Revenue	\$429,822,030	\$865,269,033
Net Income	11,536,425	87,667,541
Surplus	592,615,895	78,332,068

(5) The merger resulted in a decrease in the Company's surplus of \$223.4 million after the transfer of all assets and liabilities and the elimination of surplus notes totaling \$323 million issued by Care Plus to the Company.

C. Assumption Reinsurance - Not Applicable

D. Impairment Loss - Not Applicable

Notes to the Financial Statements

3. Business Combinations and Goodwill (Continued)

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

	Calculation of Limitation Using Prior Quarter Numbers	Current Reporting Period
(1) Capital & Surplus.....	\$ 369,180,043	XXX
Less:		
(2) Admitted Positive Goodwill.....	9,154,957	XXX
(3) Admitted EDP Equipment & Operating System Software.....	3,638,446	XXX
(4) Admitted Net Deferred Taxes.....	61,152,062	XXX
(5) Adjusted Capital and Surplus (Line 1-2-3-4).....	295,234,578	XXX
(6) Limitation on amount of goodwill (adjusted capital and surplus times 10% goodwill limitation [Line 5*10%]).....	29,523,458	XXX
(7) Current period reported Admitted Goodwill.....	XXX	8,501,031
(8) Current Period Admitted Goodwill as a % of prior period Adjusted Capital and Surplus (Line 7/Line 5).....	XXX	2.879 %

4. Discontinued Operations - Not Applicable

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - Not Applicable

B. Debt Restructuring - Not Applicable

C. Reverse Mortgages - Not Applicable

D. Asset-Backed Securities

- (1) Prepayment assumptions for loan-backed securities were obtained from broker-dealer survey values or internal estimates.
- (2) Asset-backed securities with a recognized other-than-temporary impairment (OTTI) - Not Applicable
- (3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities - Not Applicable
- (4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss
 - a. Aggregate amount of unrealized losses
 - 1. Less than 12 months..... \$ 96,539
 - 2. 12 months or longer..... 2,577,052
 - b. The aggregate related fair value of securities with unrealized losses
 - 1. Less than 12 months..... \$ 17,934,910
 - 2. 12 months or longer..... 39,498,795
- (5) These impairments were considered to be temporary primarily based on the issuer's creditworthiness. The Company also evaluated the length of time and extent to which the fair value has been less than cost or carrying value as well as its intent and ability to retain the security for a period of time sufficient to allow for anticipated recovery.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions - Not Applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Repurchase Transaction - Cash Provider - Overview of Secured Borrowing Transactions

- (1) Information regarding the company policy or strategies for engaging in repo programs, policy for requiring collateral

The Company has an overnight reverse repurchase agreement accounted for as a secured borrowing. The repurchase program is intended to maximize the return on excess cash with relatively low risk. Collateral consists of U.S. Treasury securities and U.S. government agency securities with fair values in excess of the amounts loaned under the agreement.
- (2) Type of repo trades used

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Bilateral (Yes/No).....	YES	YES	YES	YES
b. Tri-Party (Yes/No).....	NO	NO	NO	NO

Notes to the Financial Statements

5. Investments (Continued)

(3) Original (flow) & residual maturity

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Maximum Amount				
1. Open - No maturity.....	\$	\$	\$	\$
2. Overnight.....	9,900,000	5,300,000	3,000,000	13,700,000
3. 2 days to 1 week.....				
4. Over 1 week to 1 month.....				
5. Over 1 month to 3 months.....				
6. Over 3 months to 1 year.....				
7. Over 1 year.....				
b. Ending Balance				
1. Open - No maturity.....	\$	\$	\$	\$
2. Overnight.....	-	-	-	-
3. 2 days to 1 week.....				
4. Over 1 week to 1 month.....				
5. Over 1 month to 3 months.....				
6. Over 3 months to 1 year.....				
7. Over 1 year.....				

(4) Fair value of securities sold and/or acquired that resulted in default - Not Applicable

(5) Fair value of securities acquired under repo - secured borrowing - Not Applicable

(6) Securities acquired under repo - secured borrowing by NAIC designation - Not Applicable

(7) Collateral provided - secured borrowing - Not Applicable

(8) Allocation of aggregate collateral pledged by remaining contractual maturity - Not Applicable

(9) Recognized receivable for return of collateral - secured borrowing - Not Applicable

(10) Recognized liability to return collateral - secured borrowing (total) - Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable

J. Real Estate - Not Applicable

K. Investments in Tax Credit Structures (tax credit investments) - Not Applicable

Notes to the Financial Statements

5. Investments (Continued)

L. Restricted Assets

(1) Restricted assets (including pledged)

Restricted Asset Category	(1) Total Gross (Admitted & Nonadmitted) Restricted from Current Year	(2) Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	(3) Increase / (Decrease) (1 minus 2)	(4) Total Current Year Nonadmitted Restricted	(5) Total Current Year Admitted Restricted (1 minus 4)	(6) Gross (Admitted & Nonadmitted) Restricted to Total Assets	(7) Admitted Restricted to Total Admitted Assets	(8) Amount Reported in General Interrogatories	(9) Difference from Note and GI	(10) GI Ref
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	%	%	XXX	XXX	XXX
b. Collateral held under security lending agreements										25.04+25.05
c. Subject to repurchase agreements										26.21
d. Subject to reverse repurchase agreements										26.22
e. Subject to dollar repurchase agreements										26.23
f. Subject to dollar reverse repurchase agreements										26.24
g. Placed under option contracts										26.25
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock										26.26
i. FHLB capital stock										26.27
j. On deposit with states	1,051,386	1,051,386	-		1,051,386	0.081	0.095	1,051,386	-	26.28
k. On deposit with other regulatory bodies										26.29
l. Pledged as collateral to FHLB (including assets backing funding agreements)										26.31
m. Pledged as collateral not captured in other categories	81,409,836		81,409,836		81,409,836	6.254	7.367	81,409,836	-	26.30
n. Other restricted assets										26.32
o. Collateral assets received and on balance sheet								XXX	XXX	XXX
p. Assets held under modco reinsurance agreements								XXX	XXX	XXX
q. Assets held under funds withheld reinsurance agreements								XXX	XXX	XXX
r. Total restricted assets (Sum of a through q)	\$ 82,461,222	\$ 1,051,386	\$ 81,409,836	\$	\$ 82,461,222	6.335 %	7.462 %	XXX	XXX	XXX

Explanation for differences between the Note and general interrogatories:

GI Reference	Difference between Note and GI (Per Column 9 above)	Explanation
25.04+25.05	\$	
26.21		
26.22		
26.23		
26.24		
26.25		
26.26		
26.27		
26.28	-	
26.29		
26.31		
26.30	-	
26.32		

(2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance (excluding Modco/FWH) and derivatives, are reported in the aggregate)

As discussed in Note 15, on December 10, 2025, the Company entered into an agreement to sell and lease back a portion of the Company's internally developed software. As part of the agreement, the Company pledged securities in excess of the minimum requirement of 102% of the total cost of the software and placed these securities in a custody account as a security obligation of the lease.

Description of Assets	(1) Total Gross (Admitted & Nonadmitted) Restricted from Current Year	(2) Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	(3) Increase/ (Decrease) (1 - 2)	(4) Total Current Year Admitted Restricted	(5) Gross (Admitted & Nonadmitted) Restricted to Total Asset	(6) Admitted Restricted to Total Admitted Assets
Collateral for the sale and leaseback of assets	\$ 81,409,836	\$	\$ 81,409,836	\$ 81,409,836	6.254 %	7.367 %
Total	\$ 81,409,836	\$	\$ 81,409,836	\$ 81,409,836	6.254 %	7.367 %
Amount of Total pledged under derivative contracts					XXX	XXX
Total Excluding Derivative Collateral (Total minus Amt of Total pledged under derivative contracts)	\$ 81,409,836	\$	\$ 81,409,836	\$ 81,409,836	XXX	XXX

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance (excluding Modco/FWH) and derivatives, are reported in the aggregate) - Not Applicable

(4) Collateral received and assets held under Modco/Funds Withheld (FWH) reinsurance agreements reflected as assets within the reporting entity's financial statements - Not Applicable

Notes to the Financial Statements

5. Investments (Continued)

(5) Assets held as collateral or under modified coinsurance (Modco) or funds withheld reinsurance (FWH) agreements that have been pledged for another purpose specific to the insurance reporting entity (not for the benefit of the reinsurer) - Not Applicable

M. Working Capital Finance Investments - Not Applicable

N. Offsetting and Netting of Assets and Liabilities - Not Applicable

O. 5GI Securities

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	2025	2024	2025	2024	2025	2024
(1) ICO - AC	1	1	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
(2) ICO - FV						
(3) ABS - AC						
(4) ABS - FV						
(5) Preferred stock - AC		1		1,204,825		1,222,903
(6) Preferred stock - FV	1		525,750		525,750	
(7) Total (1+2+3+4+5+6)	<u>2</u>	<u>2</u>	<u>\$ 1,025,750</u>	<u>\$ 1,704,825</u>	<u>\$ 1,025,750</u>	<u>\$ 1,722,903</u>

P. Short Sales - Not Applicable

Q. Prepayment Penalty and Acceleration Fees - Not Applicable

R. Reporting Entity's Share of Cash Pool by Asset Type - Not Applicable

S. Aggregate Collateral Loans by Qualifying Investment Collateral - Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that Exceed 10% of Admitted Assets

The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets.

B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies

There were no write downs for impairments of joint venture assets in 2025 or 2024.

7. Investment Income

A. Due and Accrued Income Excluded from Surplus

No investment income due and accrued was excluded from surplus in 2025 or 2024. The Company does not accrue investment income where collection is uncertain.

B. Total Amount Excluded - Not Applicable

C. The gross, nonadmitted and admitted amounts for interest income due and accrued

Interest Income Due and Accrued	Amount
1. Gross	\$ 2,773,722
2. Nonadmitted	\$
3. Admitted	\$ 2,773,722

D. The aggregate deferred interest - Not Applicable

E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance

	Amount
Cumulative amounts of PIK interest included in the current principal balance	\$ 1,471,471

8. Derivative Instruments - Not Applicable

9. Income Taxes

A. Components of the net deferred tax asset/(liability)

(1) Change between years by tax character

	2025			2024			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Gross deferred tax assets	\$ 107,774,766	\$ 13,437,149	\$ 121,211,915	\$ 185,505,920	\$ 16,469,323	\$ 201,975,243	\$ (77,731,154)	\$ (3,032,174)	\$ (80,763,328)
(b) Statutory valuation allowance adjustments				44,398,345		44,398,345	(44,398,345)		(44,398,345)
(c) Adjusted gross deferred tax assets (1a - 1b)	107,774,766	13,437,149	121,211,915	141,107,575	16,469,323	157,576,898	(33,332,809)	(3,032,174)	(36,364,983)
(d) Deferred tax assets nonadmitted	60,617,648		60,617,648	25,312,297		25,312,297	35,305,351		35,305,351
(e) Subtotal net admitted deferred tax asset (1c - 1d)	\$ 47,157,118	\$ 13,437,149	\$ 60,594,267	\$ 115,795,278	\$ 16,469,323	\$ 132,264,601	\$ (68,638,160)	\$ (3,032,174)	\$ (71,670,334)
(f) Deferred tax liabilities	21,283,273	14,104,505	35,387,778	11,841,011	17,829,521	29,670,532	9,442,262	(3,725,016)	5,717,246
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	<u>\$ 25,873,845</u>	<u>\$ (667,356)</u>	<u>\$ 25,206,489</u>	<u>\$ 103,954,267</u>	<u>\$ (1,360,198)</u>	<u>\$ 102,594,069</u>	<u>\$ (78,080,422)</u>	<u>\$ 692,842</u>	<u>\$ (77,387,580)</u>

Notes to the Financial Statements

9. Income Taxes (Continued)

(2) Admission calculation components SSAP No. 101

	2025			2024			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$	\$	\$	\$ 15,214,384	\$ -	\$ 15,214,384	\$ (15,214,384)	\$ -	\$ (15,214,384)
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below)	25,206,489		25,206,489	87,371,167	8,518	87,379,685	(62,164,678)	(8,518)	(62,173,196)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	25,206,489		25,206,489	87,371,167	8,518	87,379,685	(62,164,678)	(8,518)	(62,173,196)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	66,941,723	XXX	XXX	130,900,460	XXX	XXX	(63,958,737)
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	21,950,629	13,437,149	35,387,778	13,209,727	16,460,805	29,670,532	8,740,902	(3,023,656)	5,717,246
(d) Deferred tax assets admitted as the result of application of SSAP No. 101									
Total 2(a) + 2(b) + 2(c)	\$ 47,157,118	\$ 13,437,149	\$ 60,594,267	\$ 115,795,278	\$ 16,469,323	\$ 132,264,601	\$ (68,638,160)	\$ (3,032,174)	\$ (71,670,334)

(3) Ratio used as basis of admissibility

	2025	2024
(a) Ratio percentage used to determine recovery period and threshold limitation amount	723.000 %	254.000 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 446,278,153	\$ 207,661,203

(4) Impact of tax-planning strategies

The Company is not relying on any tax-planning strategies.

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage

	2025		2024		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col 1-3)	Capital (Col 2-4)
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 107,774,766	\$ 13,437,149	\$ 141,107,575	\$ 16,469,323	\$ (33,332,809)	\$ (3,032,174)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 47,157,118	\$ 13,437,149	\$ 115,795,278	\$ 16,469,323	\$ (68,638,160)	\$ (3,032,174)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

(b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? NO

B. Regarding deferred tax liabilities that are not recognized

The Company has no material unrecognized deferred tax liabilities.

C. Major components of current income taxes incurred

	(1)	(2)	(3)
	2025	2024	Change (Col 1-2)
Current income taxes incurred consist of the following major components:			
1. Current Income Tax			
(a) Federal	\$ (19,027,632)	\$ (11,014,610)	\$ (8,013,022)
(b) Foreign			
(c) Subtotal (1a+1b)	\$ (19,027,632)	\$ (11,014,610)	\$ (8,013,022)
(d) Federal income tax on net capital gains		2,358,993	(2,358,993)
(e) Utilization of capital loss carry-forwards			
(f) Other	632,974	(332,108)	965,082
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ (18,394,658)	\$ (8,987,725)	\$ (9,406,933)

Notes to the Financial Statements

9. Income Taxes (Continued)

	(1)	(2)	(3)
	2025	2024	Change (Col 1-2)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 916,622	\$ 965,150	\$ (48,528)
(2) Unearned premium reserve		52,899,000	(52,899,000)
(3) Policyholder reserves			
(4) Investments	128,235	134,716	(6,481)
(5) Deferred acquisition costs			
(6) Policyholder dividends accrual			
(7) Fixed assets	522,248	25,198,791	(24,676,543)
(8) Compensation and benefits accrual	19,181,200	18,377,945	803,255
(9) Pension accrual			
(10) Receivables - nonadmitted	15,226,857	17,170,504	(1,943,647)
(11) Net operating loss carry-forward	61,381,090	44,567,495	16,813,595
(12) Tax credit carry-forward	1,124,029	1,685	1,122,344
(13) Other	9,294,484	26,190,634	(16,896,150)
(99) Subtotal (Sum of 2a1 through 2a13)	<u>\$ 107,774,766</u>	<u>\$ 185,505,920</u>	<u>\$ (77,731,154)</u>
(b) Statutory valuation allowance adjustment		44,398,345	(44,398,345)
(c) Nonadmitted	60,617,648	25,312,297	35,305,351
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	<u>\$ 47,157,118</u>	<u>\$ 115,795,278</u>	<u>\$ (68,638,160)</u>
(e) Capital			
(1) Investments	\$ 13,175,394	\$ 16,235,419	\$ (3,060,025)
(2) Net capital loss carry-forward			
(3) Real estate			
(4) Other	261,755	233,904	27,851
(99) Subtotal (2e1+2e2+2e3+2e4)	<u>\$ 13,437,149</u>	<u>\$ 16,469,323</u>	<u>\$ (3,032,174)</u>
(f) Statutory valuation allowance adjustment			
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	13,437,149	16,469,323	(3,032,174)
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 60,594,267</u>	<u>\$ 132,264,601</u>	<u>\$ (71,670,334)</u>
	(1)	(2)	(3)
	2025	2024	Change (Col 1-2)
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	\$ 10,282	\$ 17,723	\$ (7,441)
(2) Fixed assets	13,938,855	5,012,164	8,926,691
(3) Deferred and uncollected premium			
(4) Policyholder reserves			
(5) Other	7,334,136	6,811,124	523,012
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	<u>\$ 21,283,273</u>	<u>\$ 11,841,011</u>	<u>\$ 9,442,262</u>
(b) Capital			
(1) Investments	\$ 14,104,505	\$ 17,829,521	\$ (3,725,016)
(2) Real estate			
(3) Other			
(99) Subtotal (3b1+3b2+3b3)	<u>\$ 14,104,505</u>	<u>\$ 17,829,521</u>	<u>\$ (3,725,016)</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ 35,387,778</u>	<u>\$ 29,670,532</u>	<u>\$ 5,717,246</u>
4. Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 25,206,489</u>	<u>\$ 102,594,069</u>	<u>\$ (77,387,580)</u>

The change in deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	(1)	(2)	(3)
	2025	2024	Change (Col 1-2)
Adjusted gross deferred tax assets	\$ 121,211,915	\$ 201,975,242	\$ (80,763,327)
Total deferred tax liabilities	35,387,778	29,670,532	5,717,246
Net deferred tax assets (liabilities)	<u>\$ 85,824,137</u>	<u>\$ 172,304,710</u>	<u>\$ (86,480,573)</u>
Statutory valuation allowance adjustment		44,398,345	(44,398,345)
Net deferred tax assets (liabilities) after statutory valuation allowance	<u>\$ 85,824,137</u>	<u>\$ 127,906,365</u>	<u>\$ (42,082,228)</u>
Tax effect of unrealized gains (losses)			(1,277,711)
Change in net deferred income tax			<u>\$ (43,359,939)</u>

Notes to the Financial Statements

9. Income Taxes (Continued)

The realization of the DTA is dependent upon the Company's ability to generate sufficient taxable income in future periods. Based on current and historical results and prospects for future operations, management anticipates that it is more likely than not that future taxable income will be sufficient for the realization of the DTA.

D. Among the more significant book to tax adjustments

The provision for federal income taxes incurred is different from that which would be provided by applying the statutory federal income tax rate to income before taxes. Among the more significant book to tax adjustments were the following:

	2025	Effective Tax Rate
Provision computed at statutory rate	\$ 28,154,803	21.000 %
Change in net deferred income taxes	28,504,356	21.261 ...
Change in statutory valuation allowance	(32,447,117)	-24.202 ...
General Business Credit	(110,333)	-0.082 ...
True-up of prior year tax return	481,117	0.359 ...
Change in UTP liability	(790,817)	-0.590 ...
Nondeductible compensation	1,119,136	0.835 ...
Other permanent differences	54,138	0.040 ...
Total	\$ 24,965,283	18.621 %

	2025	Effective Tax Rate
Federal income tax incurred (benefit)	\$ (19,027,632)	-14.192 %
Change in net deferred income tax	43,359,941	32.341 ...
Prior year overaccrual	632,974	0.472 ...
Total statutory income taxes	\$ 24,965,283	18.621 %

E. Operating loss and tax credit carryforwards

(1) At December 31, 2025, the Company has \$292,290,906 of net operating loss carryforward that expires beginning in 2044.

(2) Income tax expense available for recoupment

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

	Ordinary	Capital	Total
2023	\$ -	\$ -	\$ -
2024	-	-	-
2025	-	-	-

(3) There were no deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. Consolidated federal income tax return

The Company is included in a consolidated federal income tax return with its parent, Gemstone Holdings, Inc., and its affiliate Range Health, Inc. Federal income taxes are allocated among the consolidated entities pursuant to a written tax-sharing agreement based on separate return calculations. Under the agreement, the Company has an enforceable right to recover taxes previously paid in the event of future net losses or to apply loss carryforwards against future taxable income. Intercompany tax balances are settled in accordance with Internal Revenue Service due dates.

- (1)
- (2)

G. Federal or foreign income tax loss contingencies - Not Applicable

H. Repatriation Transition Tax (RTT) - Not Applicable

I. Alternative Minimum Tax (AMT) Credit

The Inflation Reduction Act was enacted on August 16, 2022, and included a new corporate alternative minimum tax (CAMT). The CAMT is effective for tax years beginning after December 31, 2022. The Company does not expect to be an "applicable corporation" for purposes of the CAMT.

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

A. In 2013, the Company sponsored the formation of Blue Cross of Idaho Care Plus, Inc. (Care Plus) for the purpose of transacting business in Idaho as a managed care organization. On October 1, 2014, the Company and Care Plus entered into an agreement to transfer the rights, title and interest in Medicare Advantage Plan contracts with the federal Centers for Medicare and Medicaid Services and the Medicare-Medicaid Coordinated Plan with the State of Idaho Department of Health and Welfare from the Company to Care Plus. This transaction was approved by the Company's Board of Directors in October 2014 and approved by the DOI in January 2016. Care Plus has been operating the transferred lines of business since October 2014. On October 1, 2025, the Company and Care Plus merged as described in Note 3.B.

In 2001, the Board of Directors established the Blue Cross of Idaho Foundation for Health, Inc. (the Foundation). The purpose of the Foundation is to promote health improvement initiatives to Idaho residents.

Notes to the Financial Statements

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (Continued)

Effective January 1, 2024, Gemstone Holdings, Inc. (GHI) was formed as a mutual insurance holding company and the parent corporation of the Company. GHI is a not-for-profit mutual insurance holding company and the Company's policyholders are members of GHI. The formation was approved by the DOI, the Company's policyholders, and the Company's Board of Directors and the Company converted from a mutual insurance company to a stock insurance company. GHI became a licensee of the Blue Cross and Blue Shield Association (BCBSA), an association of independent Blue Cross and Blue Shield plans.

Effective September 1, 2024, Granite Financial Holdings, LLC (Granite) was formed, with GHI as its sole member.

Effective July 1, 2025, Ruby Analytics, LLC (Ruby) was formed, with GHI as its sole member.

Effective July 1, 2025, Range Health, Inc. (Range) was formed, with GHI as its sole shareholder. Range is a domestic stock insurer.

B. The Company provided administrative services during 2025 for Care Plus, GHI, Granite, Range and the Foundation.

The Company held surplus notes (the Notes) with a par value of \$323,000,000 issued by Care Plus on various dates between February 2013 and February 2025. Effective October 1, 2025, the surplus notes were eliminated as part of the merger.

The Company declared and the DOI approved dividends in the amount of \$19,925,000 to GHI. \$7,000,000 was paid in 2025 and \$12,925,000 was accrued as of December 31, 2025.

C. Transactions with related party who are not reported on Schedule Y - None

D. The Company reported a receivable of \$139,405 from Granite, \$850,106 from GHI, \$503,867 from Range and \$103,371 from the Foundation, at December 31, 2025. The intercompany receivable and payable balances between the companies meet the requirements for valid right of setoff established by SSAP No. 64, *Offsetting and Netting of Assets and Liabilities*, Paragraph 2. All intercompany receivables and payables for the current period are offset and reported net. Intercompany transactions with GHI, Granite, Range and the Foundation consist of administrative services performed by the Company on behalf of GHI, Granite, Range and the Foundation.

Care Plus had expenses of \$92,451,585 and \$126,534,350 during 2025 and 2024, respectively, related to an administrative services agreement with the Company. The agreement was terminated as a result of the merger.

E. The Company provided certain administrative services to Care Plus, GHI, Granite, Range and the Foundation under separate administrative services agreements. Direct and indirect expenses incurred in providing services are charged and settled with Care Plus, GHI, Granite, Range and the Foundation, pursuant to the administrative service agreements.

F. The Company guaranteed to the full extent of its assets, all of the contractual and financial obligations of Care Plus to its customers, in accordance with the BCBSA Guidelines to Administer the Controlled Affiliate License Agreement. The financial guarantee agreement was approved by the DOI in January 2016. The guarantee agreement was terminated as part of the merger between the Company and Care Plus, as described in Note 3.B.

G. Nature of Relationships that Could Affect Operations - Not Applicable

H. Amount Deducted for Investment in Upstream Company - Not Applicable

I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - Not Applicable

J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - Not Applicable

K. Foreign Subsidiary Value Using CARVM - Not Applicable

L. Downstream Holding Company Value Using Look-Through Method - Not Applicable

M. All SCA Investments - Not Applicable

N. Investment in Insurance SCAs - Not Applicable

O. SCA and SSAP No. 48 Entity Loss Tracking - Not Applicable

11. Debt - Not Applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company provides health and life insurance benefits for retired employees and, in the case of health insurance, for their eligible dependents. These benefits are provided once the employee becomes eligible by satisfying plan provisions, which include certain age and/or service and participation requirements. The Company's postretirement benefit plans, other than pension plans, are unfunded. Employees hired on or after March 1, 2003 are not eligible to participate in the retiree health plan. Employees retiring on or after January 1, 2010, are not eligible to participate in the retiree life plan.

In September 2025 the Company amended the retiree health plan, closing the plan to new participants as of February 16, 2026. A curtailment gain of \$6,237,477 was recognized as a result of the amendment.

The Company also provides a nonqualified Supplemental Executive Retirement Plan (SERP) to cover key employees meeting certain eligibility requirements. In November 2016, the Company amended the SERP to freeze all future benefit accruals effective January 1, 2017.

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans are as follows at December 31, 2025 and 2024:

Notes to the Financial Statements

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (Continued)

(1) Change in benefit obligation

- (a) Pension benefits - Not Applicable
- (b) Postretirement benefits

	Overfunded		Underfunded	
	2025	2024	2025	2024
1. Benefit obligation at beginning of year	\$	\$	\$ 17,563,445	\$ 19,472,110
2. Service cost			47,614	102,864
3. Interest cost			847,797	946,415
4. Contribution by plan participants				
5. Actuarial gain / loss			531,116	(2,120,381)
6. Foreign currency exchange rate changes				
7. Benefits paid			(829,491)	(837,563)
8. Plan amendments			(3,332,855)	
9. Business combinations, divestitures, curtailments, settlements and special termination benefits			(6,237,477)	
10. Benefit obligation at end of year	<u>\$</u>	<u>\$</u>	<u>\$ 8,590,149</u>	<u>\$ 17,563,445</u>

(c) Special or contractual benefits per SSAP No. 11 - Not Applicable

(2) Change in plan assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2025	2024	2025	2024	2025	2024
a. Fair value of plan assets at beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Actual return on plan assets						
c. Foreign currency exchange rate changes						
d. Reporting entity contribution						
e. Plan participants' contributions						
f. Benefits paid						
g. Business combinations, divestitures and settlements						
h. Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Funded status

	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
a. Components				
1. Prepaid benefit costs	\$	\$	\$	\$
2. Overfunded plan assets				
3. Accrued benefit costs			23,201,712	31,286,877
4. Liability for pension benefits			(14,611,563)	(13,723,432)
b. Assets and liabilities recognized				
1. Assets (nonadmitted)	\$	\$	\$	\$
2. Liabilities recognized			8,590,149	17,563,445
c. Unrecognized liabilities	\$	\$	\$	\$

(4) Components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2025	2024	2025	2024	2025	2024
a. Service cost	\$	\$	\$ 47,614	\$ 102,864	\$	\$
b. Interest cost			847,797	946,415		
c. Expected return on plan assets						
d. Transition asset or obligation						
e. Gains and losses			(1,558,308)	(1,712,032)		
f. Prior service cost or credit			(355,300)	(296,747)		
g. Gain or loss recognized due to a settlement or curtailment						
h. Total net periodic benefit cost	<u>\$</u>	<u>\$</u>	<u>\$ (1,018,197)</u>	<u>\$ (959,500)</u>	<u>\$</u>	<u>\$</u>

Notes to the Financial Statements

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (Continued)

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

	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
a. Items not yet recognized as a component of net periodic cost - prior year	\$ -	\$ -	\$ (13,723,432)	\$ (13,611,830)
b. Net transition asset or obligation recognized				
c. Net prior service cost or credit arising during the period			(3,332,855)	
d. Net prior service cost or credit recognized			355,300	296,747
e. Net gain and loss arising during the period			531,116	(2,120,381)
f. Net gain and loss recognized			1,558,308	1,712,032
g. Items not yet recognized as a component of net periodic cost - current year	\$ -	\$ -	\$ (14,611,563)	\$ (13,723,432)

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

	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
a. Net transition asset or obligation	\$	\$	\$	\$
b. Net prior service cost or credit			(5,775,072)	(2,797,517)
c. Net recognized gains and losses			(8,836,492)	(10,925,915)

(7) Weighted-average assumptions used to determine net periodic benefit cost

Weighted-average assumptions used to determine net periodic benefit cost as of period-end:	2025	2024
a. Weighted-average discount rate	5.750 %	5.050 %
b. Expected long-term rate of return on plan assets	%	%
c. Rate of compensation increase	%	%
d. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	%	%

Weighted-average assumptions used to determine projected benefit obligations as of period-end:	2025	2024
e. Weighted-average discount rate	5.400 %	5.750 %
f. Rate of compensation increase	%	%
g. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	%	%

(8) Accumulated benefit obligation - Not Applicable

(9) The Company's postretirement health care benefit plan assumes a health care cost trend rate of 5.0% for individuals less than 65 years of age and 5.0% for individuals over 65 for 2025. Both rates are expected to remain at 5.0% for the following year and thereafter.

(10) Estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated

Year	Amount
a. 2026	\$ 673,000
b. 2027	661,000
c. 2028	642,000
d. 2029	639,000
e. 2030	629,000
f. 2031 through 2035	3,080,000

(11) Contributions expected to be paid to the plan during 2026 are \$673,000.

(12) Amounts and types of securities of the reporting entity and related parties included in plan assets - Not Applicable

(13) As permitted under paragraph 43 of SSAP 92, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the program.

(14) Substantive commitments used as the basis for accounting for the benefit obligation - Not Applicable

(15) Special or contractual termination benefits recognized during the period - Not Applicable

(16) Significant changes in the benefit obligation or plan assets not otherwise disclosed - Not Applicable

(17) Funded status of the plan and surplus impact - Not Applicable

B. Investment Policies and Strategies of Plan Assets - Not Applicable

C. Fair Value of Each Class of Plan Assets - Not Applicable

D. Expected Long-Term Rate of Return for the Plan Assets - Not Applicable

Notes to the Financial Statements

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (Continued)

E. Defined Contribution Plans

The Company has a 401(k) salary deferral plan that covers all employees from date of hire, who have attained 18 years of age. The Company made matching contributions equal to 100% of the employee's deferral up to 3% of the employee's annual compensation plus 50% of the employee's next 2% of deferred compensation. The Company's matching contributions were \$5,226,209 and \$5,703,405 for the years ended December 31, 2025 and 2024, respectively. Employees receive a 2.5% non-contributory employer contribution based on eligible earnings, if they are employed on the last day of the year. The Company's contribution to the 401(k) plan for this benefit was \$3,548,066 and \$4,291,409 for the years ended December 31, 2025 and 2024, respectively. A portion of the 2024 non-elective contribution was funded using excess assets from the termination of the pension plan.

F. Multiemployer Plans - Not Applicable

G. Consolidated/Holding Company Plans - Not Applicable

H. Postemployment Benefits and Compensated Absences

Postemployment benefits and compensated absences for employees are recorded as accrued liabilities.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - Not Applicable

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

A. The Company is authorized to issue 100 shares of common stock with a par value of \$10,000 per share. On January 1, 2024, all 100 shares were issued to GHI, as its sole member, and all shares remain outstanding as of December 31, 2025.

B. Dividend Rate of Preferred Stock - Not Applicable

C. All dividend payments require DOI notification prior to issuance. Extraordinary dividend payments require DOI approval.

D. The Company declared and the DOI approved dividends in the amount of \$19,925,000 to GHI. \$7,000,000 was paid in 2025 and \$12,925,000 was accrued as of December 31, 2025.

E. Company Profits Paid as Ordinary Dividends - Not Applicable

F. Surplus Restrictions - Not Applicable

G. Surplus Advances - Not Applicable

H. Stock Held for Special Purposes - Not Applicable

I. Changes in Special Surplus Funds - Not Applicable

J. Unassigned Funds (Surplus)

The portion of unassigned funds (surplus) represented by cumulative unrealized gains at December 31, 2025 is \$31,063,986

K. Company-Issued Surplus Debentures or Similar Obligations - Not Applicable

L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - Not Applicable

M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - Not Applicable

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

(1) Commitments or contingent commitment(s) to an SCA entity, joint venture, partnership, or limited liability company

The Company has private equity funding commitments related to existing investments totaling \$5,416,388 pursuant to the terms of capital funding agreements as of December 31, 2025.

(2) Nature and circumstances of guarantee - Not Applicable

(3) Aggregate compilation of guarantee obligations - Not Applicable

B. Assessments - Not Applicable

C. Gain Contingencies - Not Applicable

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - Not Applicable

E. Joint and Several Liabilities - Not Applicable

F. All Other Contingencies

The Company is a defendant in multiple lawsuits that were initially filed in 2012 against the Blue Cross Blue Shield Association (BCBSA) and the BCBSA's licensees (Blue plans). The lawsuits involve several classes of subscriber and provider plaintiffs who generally allege that BCBSA and the Blue plans have violated the Sherman Antitrust Act and related state laws. The lawsuits were consolidated into a single multi-district litigation, *In re: Blue Cross Blue Shield Antitrust Litigation (MDL #2406)*, which is pending in the U.S. District Court for the Northern District of Alabama. In April 2018, the court issued a decision determining that certain challenged conduct when aggregated would be analyzed under a per se standard of review, while other challenged conduct would be analyzed under the rule of reason standard of review. The appellate court declined to review this decision.

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

BCBSA and the Blue plans executed a settlement agreement with the subscriber plaintiffs ("Subscriber Settlement") in October 2020. The court granted preliminary approval of the settlement in November 2020. A final approval hearing was held in October 2021. A final approval order was entered in August 2022, which recognized that the elimination of the national best-efforts rule (NBE) means that exclusive service areas (ESAs) now stand alone and are not necessarily subject to the per se standard. The court also referred to its new standard of review order, entered contemporaneously in the provider case, holding that the standard of review applicable to ESAs alone is the rule of reason.

BCI's monetary contribution to the settlement with subscriber plaintiffs is approximately \$20,350,000. BCI advanced \$3,052,000 in December 2020. BCI paid the remainder of its share (as adjusted) of the settlement into escrow in the amount of \$17,317,864, on September 8, 2022, as required by the settlement. Appeals of the final approval order were filed in March 2024 and ultimately resolved in June 2024 when the U.S. Supreme Court denied appellants' petitions for certiorari. The non-monetary relief took effect in August 2024, except for the second blue bid provision that became effective in September 2024. In November 2024, the parties arbitrated subscriber plaintiffs' request for replenishment of the Notice and Administration Fund ("fund"), resulting in an agreement that defendants would replenish the fund in the amount of \$33,783,979. BCI paid its share of the replenishment amount of \$257,752, in January 2025.

The Company is a defendant in several cases pending in the U.S. District Court for the Northern District of Alabama filed by certain subscribers who opted out of the Subscriber Settlement. The Company potentially has additional loss exposure in these cases, but it is not possible at this time to reasonably estimate the amount or range of exposure. The Company intends to vigorously defend this opt-out litigation. The ultimate outcome cannot presently be determined.

With regard to the provider case in *MDL #2406*, in March 2021, the court terminated provider plaintiffs' October 2020 motion for class certification, requiring the parties to file summary judgment motions on the applicable standard of review before the Court ruled on class certification. In August 2022, the court granted in part and denied in part defendants' motion for summary judgment on the standard of review. The court held that from April 2021 forward, after elimination of NBE, ESAs alone are not per se illegal and provider plaintiffs' market allocation conspiracy claims will be evaluated under the rule of reason. The court held that provider plaintiffs' damage claims for the time period from 2008 to April 2021, when NBE and ESAs were both in effect, will continue to be subject to the per se standard of review. In December 2023, the court denied provider plaintiffs' motion for summary judgment on defendants' single entity defense and defendants' motion for summary judgment on provider plaintiffs' damages as time-barred and speculative. In January 2024, the court denied defendants' motion for summary judgment as to (a) all claims by providers other than general acute care hospitals and (b) any claims based on the Blue system rules other than ESAs or BlueCard. The court also denied provider plaintiffs' motion for partial summary judgment on defendants' common law trademark rights. While the parties completed supplemental class certification briefing in March 2023, the court has not ruled on provider plaintiffs' motion for class certification.

In September 2024, BCBSA and the Blue plans approved a settlement agreement for \$2,800,000,000 and certain injunctive relief with the provider plaintiffs ("Provider Settlement"). A motion for preliminary approval was filed in October 2024. After a preliminary approval hearing in November 2024, the court granted preliminary approval in December 2024. The deadline for defendants to fund the Notice and Administration amount of \$100,000,000 was January 3, 2025. BCI paid its share of the fund in the amount of \$722,812 in January 2025. In July 2025 a Final Fairness Hearing was held. In August 2025, the court issued an order granting final approval of the Provider Settlement. Defendants were required to make their final settlement payments by September 18, 2025. In September 2025, BCI timely paid its remaining share of the monetary settlement in the amount of \$19,515,930. (BCI estimated and accrued \$20,300,000 in June 2024 in anticipation of this payment).

Although numerous opt-out notices and objections were filed, no appeals of the Provider Settlement were filed by the September 2025 deadline. Implementation of the agreed injunctive terms of the settlement are in progress that include (i) expansion of certain out of area contracting opportunities, (ii) implementation of certain prompt pay commitments; and (iii) enhancement to certain technological features of the BlueCard program. Implementation is expected to continue through 2028.

Several opt-out lawsuits were filed in various state and federal courts by providers that opted out of the Provider Settlement. Importantly, BCI was not named as a defendant in the California state court provider opt-out lawsuits filed in Superior Court in Alameda County, following its successful motion to dismiss for lack of personal jurisdiction in the earlier *Prime* ASO opt-out lawsuit, filed by the same plaintiffs' law firm in 2021.

In March 2025, defendants filed notice with the United States Judicial Panel on Multidistrict litigation (JPML) asserting that some of these cases are tag-along actions that should be transferred to the U.S. District Court for the Northern District of Alabama and centralized with MDL No. 2406. In August 2025, the JPML transferred the cases to the Northern District of Alabama. In the fall of 2025 the U.S. District Judge presiding over the MDL and related opt-out cases in the Northern District of Alabama (Judge Proctor), announced his retirement and the cases have been assigned to Judge Monasco effective January 2026. The Company intends to vigorously defend these opt-out cases. The likelihood or amount of a loss contingency cannot reasonably be estimated at this time.

CMS regularly conducts audits of Medicare Advantage plans to determine compliance with regulations. The Company recorded reserves of \$436,285 in 2025 for potential payments to CMS for these audits. These reserves are still outstanding as of December 31, 2025.

The Company is involved in other litigation, regulatory investigations, and commercial disputes arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Company's financial position, results from operations or cash flow.

Health care businesses are subject to a changing social, economic, legal, legislative, and regulatory environment. Other issues that may affect the Company's business include efforts to expand tort liability to health insurance plans; class action lawsuits targeting large companies, including the BCBSA and its licensees; actions to restrict insurance pricing and the application of underwriting standards; and efforts to revise federal tax laws.

No other accrued liabilities were recorded on the accompanying balance sheets for litigation, regulatory or business environment matters as of December 31, 2025.

Notes to the Financial Statements

15. Leases

A. Lessee Operating Lease

(1) Leasing arrangements

- (a) The Company leases office space and equipment under various non-cancelable operating lease agreements. Certain office leases have renewal options and require contingent payments for increases in property taxes, insurance and other costs in excess of a base year amount. Total rent expense, including home office rent of approximately \$5,944,632 and \$6,687,711, was \$6,820,122 and \$7,936,913, for the years ended December 31, 2025 and 2024, respectively.
- (b) Rental payment contingencies - Not Applicable
- (c) Terms of renewal or purchase options and escalation clauses - Not Applicable
- (d) Restrictions imposed by lease agreements - Not Applicable
- (e) The Company vacated various leased office spaces in August, 2025. The remaining liability for unoccupied leased space was \$224,699 as of December 31, 2025.

(2) For leases having initial or remaining noncancelable lease terms in excess of one year

(a) Minimum aggregate rental commitments at year end

Year Ending December 31	Operating Leases
1. 2026	\$ 515,557
2. 2027	546,301
3. 2028	364,261
4. 2029	28,880
5. 2030	
6. Thereafter	
7. Total (sum of 1 through 6)	<u>\$ 1,454,999</u>

(b) There were no material noncancelable subleases as of December 31, 2025.

- (3) In December 2025 the Company entered into a sale-leaseback transaction with a third party, selling internally developed software totaling \$78,269,367. Simultaneously, the Company entered into a five year leaseback agreement, under which a total of sixty monthly rental payments of \$1,503,555 will be paid. At any time after the first twelve months, the Company can prepay the present value of the remaining lease payments and terminate the lease. Total rent expense was \$1,052,488 and \$0, for the years ended December 31, 2025 and 2024, respectively.

B. Lessor Leases - Not Applicable

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk - Not Applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - Not Applicable

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

The Company has a \$19,709,154 self-funded contingency reserve remaining at December 31, 2025. The Company recorded self-funded contingency reserves of \$19,709,154 and \$73,200,000 for the years ended December 31, 2025 and December 31, 2024, respectively.

A. ASO Plans - Not Applicable

B. ASC Plans

The gain (loss) from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans were as follows during 2025:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 1,797,486,318	\$	\$ 1,797,486,318
b. Gross administrative fees accrued	77,706,019		77,706,019
c. Other income or expenses (including interest paid to or received from plans)	53,935,854		53,935,854
d. Gross expenses incurred (claims and administrative) (a+b+c)	1,929,128,192		1,929,128,192
e. Total net gain or loss from operations	<u>\$ (27,764,190)</u>	<u>\$</u>	<u>\$ (27,764,190)</u>

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

- (1) Revenue from the Company's Medicare contract (or similarly structured cost-based reimbursement contract) for the year 2025 consisted of no revenue for medical and hospital related services and no revenue for administrative expenses.
- (2) As of December 31, 2025, the Company reported \$36,913,531 as receivables from the Centers for Medicare and Medicaid Services and others for uninsured health plans.
- (3) In connection with the Company's Medicare contract (or similarly structured cost-based reimbursement contract), the Company has not recorded any allowances or reserves for adjustment of recorded revenues at December 31, 2025.
- (4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - Not Applicable

Notes to the Financial Statements

20. Fair Value Measurements

A. Fair Value Measurement

SSAP No. 100, *Fair Value Measurements*, establishes a fair value hierarchy which the Company uses to rank investment fair value assumptions based on their observability.

- Level 1 – Quoted prices for identical instruments traded in active markets. Level 1 investments include debt and equity securities that are traded in an active exchange market.
- Level 2 – Quoted prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in inactive markets, nonquoted prices that are observable (for example, interest rates), and nonquoted prices that are derived from, or corroborated by, observable market data. Level 2 investments include debt securities, asset-backed securities, mortgage-backed securities and equity securities.
- Level 3 – Nonquoted prices that are not directly observable. Level 3 investments include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

(1) Fair value measurements at reporting date

Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
a. Assets at fair value					
Bonds, Issuer Credit Obligations	\$ 667,467	\$ 12,573,509	\$ 15,419,612	\$ -	\$ 28,660,588
Bonds, Asset-Based Securities	-	-	-	-	-
Redeemable Preferred Stock, Industrial and Misc.	246,643	-	525,750	-	772,393
Common Stock, Industrial and Misc.	51,241,153	-	97,515	-	51,338,668
Common Stock, Mutual Funds	29,794,363	-	-	-	29,794,363
Common stock, Exchange Traded Funds	1,488,138	-	-	-	1,488,138
Other long term assets, Any Other Class of Assets - Unaffiliated	-	-	-	19,353,725	19,353,725
Total assets at fair value/NAV	\$ 83,437,764	\$ 12,573,509	\$ 16,042,877	\$ 19,353,725	\$ 131,407,874
b. Liabilities at fair value					
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

(2) Fair value measurements in Level 3 of the fair value hierarchy

Description	Beginning balance as of 01/01/2025	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2025
a. Assets										
Bonds	\$ 18,309,688	\$ -	\$ -	\$ (18,621,021)	\$ 311,333	\$ -	\$ -	\$ -	\$ -	\$ -
Issuer Credit Obligations	-	4,758,755	(3,893,942)	18,619,458	(915,407)	267,604	-	(3,416,857)	-	15,419,612
Common stock	94,455	-	-	1,364	9,983	-	-	(8,288)	-	97,515
Preferred stock	-	495,354	-	-	(83,448)	113,845	-	-	-	525,750
Total assets	\$ 18,404,143	\$ 5,254,109	\$ (3,893,942)	\$ (198)	\$ (677,539)	\$ 381,449	\$ -	\$ (3,425,145)	\$ -	\$ 16,042,877
b. Liabilities										
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(3) Any transfers between levels are reported as of the beginning of the reporting period.

(4) Fair values for the Company's fixed maturity securities in Level 2 are based on prices provided by its investment managers and custodian banks. The Company's fixed maturity securities portfolio is highly liquid, which allows for the portfolio to be valued through third-party pricing services using market and matrix pricing.

Fair values for the Company's equity securities in Level 2 are based on prices provided by readily observable market quotations, when available.

Private placement and other equity securities in Level 3, where a market price quotation is not available, are valued using methods such as independent appraisals.

(5) Derivatives - Not Applicable

B. Other Fair Value Disclosures - Not Applicable

C. Fair Values or NAV for All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 339,598,467	\$ 338,842,328	\$ 49,010,753	\$ 233,294,484	\$ 57,293,230	\$ -	\$ -
Common stock	82,621,169	82,621,169	82,523,654	-	97,515	-	-
Preferred stock	1,173,833	1,172,896	246,643	401,440	525,750	-	-
Short-term investments	5,429,036	5,428,578	5,429,036	-	-	-	-
Other invested assets	19,353,725	19,353,725	-	-	-	19,353,725	-

D. Not Practicable to Estimate Fair Value - Not Applicable

E. Nature and Risk of Investments Reported at NAV - Not Applicable

Notes to the Financial Statements

21. Other Items

- A. Unusual or Infrequent Items - Not Applicable
- B. Troubled Debt Restructuring - Not Applicable
- C. Other Disclosures - Not Applicable
- D. Business Interruption Insurance Recoveries - Not Applicable
- E. State and Federal Tax Credits - Not Applicable
- F. Subprime-Mortgage-Related Risk Exposure - Not Applicable
- G. Retained Assets - Not Applicable
- H. Insurance-Linked Securities (ILS) Contracts - Not Applicable
- I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

(1) Amount of admitted balance that could be realized from an investment vehicle.....	\$..... 707,658
(2) Percentage bonds.....	69.000 %
(3) Percentage stocks.....	3.000 %
(4) Percentage mortgage loans.....	17.000 %
(5) Percentage real estate.....	5.000 %
(6) Percentage cash and short-term investments.....	%
(7) Percentage derivatives.....	%
(8) Percentage other invested assets.....	6.000 %

22. Events Subsequent

Subsequent events have been considered through February 25, 2026, for the statutory statement available for issue on February 25, 2026.

Type I – Recognized Subsequent Events:

The Company accrued a \$12,925,000 dividend to GHI at December 31, 2025, which was paid in February 2026.

Type II – Nonrecognized Subsequent Events:

The Company is not aware of any Type II subsequent events that could have a material effect on its financial statements.

23. Reinsurance

The Company entered into a 60% quota share reinsurance agreement in September 2025, retroactive to January 1, 2025, with Hannover Life Reassurance Company of America (Bermuda) Ltd. (Hannover). The lines of business included in the reinsurance contract are individual and group commercial fully insured, third-party employer stop loss, short term medical, Medicare Supplement, dental and vision. Premiums, claims, and general and administrative costs assumed total \$464,807,597, \$429,514,710, and \$33,930,955 respectively, as of December 31, 2025. Receivables assumed by Hannover were \$0 as of December 31, 2025. Liabilities and payables assumed by Hannover were \$5,358,000 as of December 31, 2025.

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
Yes () No (X)
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?
Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

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

Notes to the Financial Statements

23. Reinsurance (Continued)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ –
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

- B. Uncollectible Reinsurance - Not Applicable
- C. Commutation of Ceded Reinsurance - Not Applicable
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - Not Applicable
- E. Reinsurance Credit - Not Applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate

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

B. Method Used to Record

Accrued retrospective premiums are recorded as an adjustment to earned premiums.

C. Amount and Percent of Net Retrospective Premiums

The amount of net premiums subject to retrospective rating features was \$1,536,943,877 and \$2,115,388,928, which represented 93.7% and 95.3% of the total net premiums written for the years ended December 31, 2025 and 2024, respectively.

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

	(1)	(2)	(3)	(4)	(5)
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ 1,448,999	\$	\$	\$ 61,949	\$ 1,510,948
(2) Medical loss ratio rebates paid	2,441,280			282,213	2,723,492
(3) Medical loss ratio rebates unpaid	1,150,204				1,150,204
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 1,150,204
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ 313,969	\$	\$	\$	\$ 313,969
(8) Medical loss ratio rebates paid	1,464,173				1,464,173
(9) Medical loss ratio rebates unpaid					
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

- (1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions? **YES**

- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year

	Amount
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to the ACA risk adjustment (including high-risk pool payments)	\$ 4,176,312
Liabilities	
2. Risk adjustment user fees payable for ACA risk adjustment	\$ 102,631
3. Premium adjustments payable due to ACA risk adjustment (including high-risk pool premium)	9,240,268
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA risk adjustment	\$ 632,886
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	(101,344)

Notes to the Financial Statements

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (Continued)

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

	Accrued During the Prior Year on Business Written Before Dec 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	(1)	(2)	(3)	(4)	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high-risk pool payments)	\$ 3,909,163	\$	\$ 6,687,621	\$	\$ (2,778,458)	\$	\$ 2,778,458		A	\$ -	\$
2. Premium adjustments payable (including high-risk pool premium)		(10,065,888)		(7,147,507)		(2,918,381)		2,918,381	B		-
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 3,909,163	\$ (10,065,888)	\$ 6,687,621	\$ (7,147,507)	\$ (2,778,458)	\$ (2,918,381)	\$ 2,778,458	\$ 2,918,381		\$ -	\$ -

Explanations of Adjustments

A: Adjust for actual amount received.

B: Adjust for actual amount paid.

25. Change in Incurred Claims and Claim Adjustment Expenses

A. Reasons for Changes in the Provision for Incurred Claim and Claim Adjustment Expenses Attributable to Insured Events of Prior Years

Reserves as of December 31, 2025 for unpaid insured claims and unpaid claims adjustment expenses were \$185.5 million, including accrued medical incentive pool of \$4.3 million, net of gross healthcare receivables of \$99.7 million. As of December 31, 2025, \$102.7 million has been paid for expenses attributable to insured events of prior years. Reserves remaining for prior years were \$1.1 million as of December 31, 2025. The re-estimation of unpaid insured claims, unpaid claims adjustment expenses and accrued medical incentive pool, net of gross healthcare receivables, for prior years based on the latest information known regarding individual claims, as well as the ongoing analysis of recent loss development trends, resulted in a favorable prior year development of \$81.7 million since December 31, 2025.

B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Claims and Claim Adjustment Expenses

There were no significant changes in the methodology or assumptions used in calculating the liability for unpaid losses and loss adjustment expenses from prior year.

26. Intercompany Pooling Arrangements - Not Applicable

27. Structured Settlements - Not Applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2025	\$ 56,200,900	\$ 60,001,163	\$	\$	\$
09/30/2025	61,726,021	59,572,340	13,472,114		
06/30/2025	60,716,963	59,325,194	13,902,115	42,302,872	
03/31/2025	57,022,054	58,002,418	7,621,640	48,255,397	439,659
12/31/2024	51,088,137	51,331,223	12,422,333	36,785,135	2,531,502
09/30/2024	49,909,126	50,264,054	11,573,166	37,536,563	2,185,795
06/30/2024	58,871,795	57,651,845	12,207,737	43,005,789	4,741,592
03/31/2024	55,678,881	53,549,649	11,159,405	41,343,760	3,210,238
12/31/2023	58,025,945	52,295,235	11,712,237	40,563,010	9,247,281
09/30/2023	48,731,318	51,869,328	11,791,123	37,672,538	5,179,899
06/30/2023	47,574,479	50,731,303	10,383,941	35,861,389	5,834,129
03/31/2023	44,457,098	47,981,253	5,207,015	38,353,156	4,837,436

B. Risk-Sharing Receivables

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable				Actual Risk Sharing Amounts Received			
		As Estimated in the Prior Year	As Estimated in the Current Year	Billed	Not Yet Billed	In Year Billed	First Year Subsequent	Second Year Subsequent	All Other
2025	2025	\$ 15,157,824	\$	\$ 11,582,490	\$	\$ 11,582,490	\$	\$	\$
	2026		6,525,304						
2024	2024	12,083,819		10,329,222		10,329,222			
	2025		15,157,824						
2023	2023	12,439,935		13,738,742		13,738,742			
	2024		12,083,819						

The Company does not net receivable and payable balances with the same provider.

Notes to the Financial Statements

28. Health Care Receivables (Continued)

C. Medicare Prescription Payment Plan Receivables

(1) Recoverable amounts included in other health care receivables

	Amount
Amounts included in other health care receivables which are recoverable from participants in Medicare Part D Prescription Payment Plan for the current reporting period.....	\$..... 71,957

(2) Aging of other health care receivables which are due from participant in Medicare Part D Prescription Payment Plan

	Current Period Gross	1-30 days	31-60 days	61-90 days	Over 90 Days	Nonadmitted	Admitted
Medicare Prescription Payment Plan Recoverables.....	\$..... 71,957	\$..... 44,918	\$..... 5,827	\$..... 5,019	\$..... 16,193	\$..... 16,193	\$..... 55,764

(3) Write-offs of impaired Medicare Prescription Payment Plan receivables

	Current Year Amount	Prior Year Amount
Incurred claims expense includes write-offs of impaired Medicare Prescription Payment Plan receivables.....	\$..... -	\$..... -

29. Participating Policies - Not Applicable

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves:..... \$..... -
2. Date of the most recent evaluation of this liability:..... 12/31/2025.....
3. Was anticipated investment income utilized in the calculation?..... YES.....

The Company recorded a premium deficiency reserve of \$251,900,000 for the year ended December 31, 2024, as a result of expected underwriting losses in our government health programs business.

31. Anticipated Salvage and Subrogation

The Company took into account anticipated salvage and subrogation in its calculation of the liability for unpaid claims/losses and reduced such liability by \$4,699,759 and \$3,110,323 for the years ended December 31, 2025 and 2024, respectively.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1. Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?..... YES
If yes, complete Schedule Y, Parts 1, 1A, 2, and 3.
- 1.2. If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?..... YES
- 1.3. State Regulating?..... Idaho
- 1.4. Is the reporting entity publicly traded or a member of a publicly traded group?..... NO
- 1.5. If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.....
- 2.1. Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?..... NO
- 2.2. If yes, date of change:.....
- 3.1. State as of what date the latest financial examination of the reporting entity was made or is being made..... 12/31/2021
- 3.2. State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released..... 12/31/2021
- 3.3. State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date)..... 06/22/2023
- 3.4. By what department or departments?
Idaho Department of Insurance
- 3.5. Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?..... N/A
- 3.6. Have all of the recommendations within the latest financial examination report been complied with?..... N/A
- 4.1. During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:.....
4.11. sales of new business?..... NO
4.12. renewals?..... NO
- 4.2. During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:.....
4.21. sales of new business?..... NO
4.22. renewals?..... NO
- 5.1. Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?..... YES
If yes, complete and file the merger history data file with the NAIC.
- 5.2. If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1 | 2 | 3 |
|---|-------------------|-------------------|
| Name of Entity | NAIC Company Code | State of Domicile |
| Blue Cross of Idaho Care Plus, Inc..... | 15022..... | ID..... |
- 6.1. Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?..... NO
- 6.2. If yes, give full information
- 7.1. Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?..... NO
- 7.2. If yes,
7.21. State the percentage of foreign control..... %
7.22. State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1 | 2 |
|-------------|----------------|
| Nationality | Type of Entity |
| | |
- 8.1. Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board?..... NO
- 8.2. If response to 8.1 is yes, please identify the name of the DIHC.....
- 8.3. Is the company affiliated with one or more banks, thrifts or securities firms?..... NO
- 8.4. If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
		NO	NO	NO	NO

- 8.5. Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company?..... NO.....
- 8.6. If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule?..... NO.....
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Eide Bailly 800 Nicollet Mall #1300 Minneapolis, MN 55402
- 10.1. Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?..... NO.....
- 10.2. If the response to 10.1 is yes, provide information related to this exemption:
- 10.3. Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?..... NO.....
- 10.4. If the response to 10.3 is yes, provide information related to this exemption:
- 10.5. Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?..... YES.....
- 10.6. If the response to 10.5 is no or n/a, please explain.
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Christopher Kunkel, Principal and Consulting Actuary associated with Milliman 1301 Fifth Avenue, Suite 3800, Seattle, WA, 98101
- 12.1. Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... YES.....
12.11 Name of real estate holding company
Barings Core Property Fund LP, UBS Trumbull Property Fund LP, Harrison St Core Property Fund, Invesco US Income Fund, and Prologis Targeted US Logistics Fund
12.12 Number of parcels involved..... 1,383
12.13 Total book / adjusted carrying value..... \$ 31,661,631
- 12.2. If yes, provide explanation
BCI indirectly holds real estate through the five funds listed above.
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1. What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?.....
- 13.2. Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?.....
- 13.3. Have there been any changes made to any of the trust indentures during the year?.....
- 13.4. If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?.....
- 14.1. Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... YES.....
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
- 14.11. If the response to 14.1 is no, please explain:
- 14.2. Has the code of ethics for senior managers been amended?..... NO.....
- 14.21. If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3. Have any provisions of the code of ethics been waived for any of the specified officers?..... NO.....
- 14.31. If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1. Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?..... NO.....
- 15.2. If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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

BOARD OF DIRECTORS

- 16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? YES
- 17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? YES
- 18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? YES

FINANCIAL

- 19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? NO
- 20.1. Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 - 20.11 To directors or other officers \$
 - 20.12 To stockholders not officers \$
 - 20.13 Trustees, supreme or grand (Fraternal only) \$
- 20.2. Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 20.21 To directors or other officers \$
 - 20.22 To stockholders not officers \$
 - 20.23 Trustees, supreme or grand (Fraternal only) \$
- 21.1. Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? NO
- 21.2. If yes, state the amount thereof at December 31 of the current year:
 - 21.21 Rented from others \$
 - 21.22 Borrowed from others \$
 - 21.23 Leased from others \$
 - 21.24 Other \$
- 22.1. Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? NO
- 22.2. If answer is yes:
 - 22.21 Amount paid as losses or risk adjustment \$
 - 22.22 Amount paid as expenses \$
 - 22.23 Other amounts paid \$
- 23.1. Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? YES
- 23.2. If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 850,106
- 24.1. Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? NO
- 24.2. If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

1	2
Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)

INVESTMENT

- 25.01. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03) YES
- 25.02. If no, give full and complete information, relating thereto
- 25.03. For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 25.04. For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions \$
- 25.05. For the reporting entity's securities lending program, report amount of collateral for other programs \$
- 25.06. Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? N/A
- 25.07. Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? N/A
- 25.08. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? N/A

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

25.09. For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:
 25.091. Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
 25.092. Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
 25.093. Total payable for securities lending reported on the liability page \$

26.1. Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03) YES

26.2. If yes, state the amount thereof at December 31 of the current year:
 26.21. Subject to repurchase agreements \$
 26.22. Subject to reverse repurchase agreements \$
 26.23. Subject to dollar repurchase agreements \$
 26.24. Subject to reverse dollar repurchase agreements \$
 26.25. Placed under option agreements \$
 26.26. Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$
 26.27. FHLB Capital Stock \$
 26.28. On deposit with states \$ 1,051,386
 26.29. On deposit with other regulatory bodies \$
 26.30. Pledged as collateral - excluding collateral pledged to an FHLB \$ 81,409,836
 26.31. Pledged as collateral to FHLB - including assets backing funding agreements \$
 26.32. Other \$

26.3. For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

27.1. Does the reporting entity have any hedging transactions reported on Schedule DB? NO

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

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

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

27.4. If the response to 27.3 is YES, does the reporting entity utilize:
 27.41 Special accounting provision of SSAP No. 108 NO
 27.42 Permitted accounting practice NO
 27.43 Other accounting guidance NO

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

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

28.1. Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? YES

28.2. If yes, state the amount thereof at December 31 of the current year. \$ 500,000

29. Excluding items in Schedule E- Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the *NAIC Financial Condition Examiners Handbook*? YES

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

1 Name of Custodian(s)	2 Custodian's Address
US Bank	Boise, ID
Morgan Stanley	New York, NY
Wells Fargo	Sioux Falls, SD

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

29.03. Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year? NO

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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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

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

1	2
Name of Firm or Individual	Affiliation
Blackrock Financial Management Inc.	U
Pacific Investment Management Company LLC	U
PineBridge Investments LLC	U
State Street Global Advisors Funds Distributors	U
Virtus Fixed Income Advisers, LLC	U
Paul G Zurlo, "handle securities"	I
David M Ward, "handle securities"	I
Ryan J Arave, "handle securities"	I
Alison R Gale, "handle securities"	I

29.0597. For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's invested assets? YES

29.0598. For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? YES

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

1	2	3	4
Central Registration Depository Number	Name of Firm or Individual	Registered With	Investment Management Agreement (IMA) Filed
107105	Blackrock Financial Management Inc.	SEC	NO
104559	Pacific Investment Management Company LLC	SEC	NO
105926	PineBridge Investments LLC	SEC	NO
30107	State Street Global Advisors Funds Distributors	FINRA & SEC	NO
146029	Virtus Fixed Income Advisers, LLC	SEC	NO

30.1. Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? YES

30.2. If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
256206103	DODGE & COX INTNL STCK I	\$ 12,092,395
412295107	HARDING LOEVNER:IE I	11,835,081
55273E640	MFS EMERG MKT DEBT I	5,866,888
25159L103	SPDR S&P 500	633,721
78462F240	ISHARES:MSCI ACWI XUS	453,230
464288655	ISHARES:RUSS 2000 ETF	195,063
30.2999 TOTAL		\$ 31,076,377

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book / Adjusted Carrying Value Attributable to the Holding	Date of Valuation
DODGE & COX INTNL STCK I	Taiwan Semiconductor Manufacturing Co Ltd	\$ 403,365	12/31/2025
DODGE & COX INTNL STCK I	BNP Paribas	394,191	12/31/2025
DODGE & COX INTNL STCK I	Johnson Controls International Plc	388,894	12/31/2025
DODGE & COX INTNL STCK I	GSK plc	365,186	12/31/2025
DODGE & COX INTNL STCK I	Barclays PLC	343,488	12/31/2025
HARDING LOEVNER:IE I	Taiwan Semiconductor Manufacturing Co Ltd	524,567	12/31/2025
HARDING LOEVNER:IE I	Samsung Electronics Co Ltd	492,984	12/31/2025
HARDING LOEVNER:IE I	DBS Group Holdings Ltd	368,694	12/31/2025
HARDING LOEVNER:IE I	ASML Holding NV	362,024	12/31/2025
HARDING LOEVNER:IE I	HDFC Bank Limited	352,692	12/31/2025
MFS EMERG MKT DEBT I	USD/EUR FWD 20260116 CBCL-LON	403,055	12/31/2025
MFS EMERG MKT DEBT I	MFS Institutional Money Market Short Term Vehicle	266,357	12/31/2025
MFS EMERG MKT DEBT I	US Treasury Note 2.75% AUG 15 32	176,593	12/31/2025
MFS EMERG MKT DEBT I	Argentine Republic Government International Bond	61,602	12/31/2025
MFS EMERG MKT DEBT I	Argentine Republic Government International Bond	61,016	12/31/2025
SPDR S&P 500 ETF	NVIDIA Corporation	49,146	12/31/2025
SPDR S&P 500 ETF	Apple Inc	43,563	12/31/2025
SPDR S&P 500 ETF	Microsoft Corp	38,979	12/31/2025
SPDR S&P 500 ETF	Amazon.com Inc	24,350	12/31/2025
SPDR S&P 500 ETF	Alphabet Inc	19,749	12/31/2025
ISHARES:MSCI ACWI XUS	Taiwan Semiconductor Manufacturing Co Ltd	16,783	12/31/2025
ISHARES:MSCI ACWI XUS	Tencent Holdings LTD	7,043	12/31/2025
ISHARES:MSCI ACWI XUS	ASML Holding NV	5,712	12/31/2025
ISHARES:MSCI ACWI XUS	Alibaba Group Holding Ltd	4,373	12/31/2025

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book / Adjusted Carrying Value Attributable to the Holding	Date of Valuation
ISHARES:MSCI ACWI XUS	Roche Holding AG	4,029	12/31/2025
ISHARES:RUSS 2000 ETF	Credo Technology Group Holding Ltd	1,485	12/31/2025
ISHARES:RUSS 2000 ETF	Bloom Energy Corp	1,278	12/31/2025
ISHARES:RUSS 2000 ETF	Fabrinet	1,108	12/31/2025
ISHARES:RUSS 2000 ETF	IonQ Inc	1,022	12/31/2025
ISHARES:RUSS 2000 ETF	EchoStar Corp	992	12/31/2025

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1. Issuer Credit Obligations	\$ 200,879,987	\$ 202,502,557	\$ 1,622,570
31.2. Asset-Backed Securities	143,390,919	142,524,946	(865,973)
31.3. Preferred Stocks	1,172,896	1,173,833	937
31.4. Totals	\$ 345,443,802	\$ 346,201,336	\$ 757,534

31.5. Describe the sources or methods utilized in determining the fair values:

FMV supplied by investment managers/advisors and custodians listed in 29.05 and 29.01, respectively, above.

32.1. Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... YES.....

32.2. If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... YES.....

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

33.1. Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?..... YES.....

33.2. If no, list exceptions:

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?..... YES.....

35. By self-designating PLGI securities, the reporting entity is certifying its compliance with the requirements as specified in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) for private letter rating (PLR) securities and the following elements of each self-designated PLGI security:

- a. The security was either:
 - i. issued prior to January 1, 2018 (which is exempt from PLR filing requirements pursuant to the P&P Manual), or
 - ii. issued from January 1, 2018 to December 31, 2021 and subject to a confidentiality agreement executed prior to January 1, 2022 which confidentiality agreement remains in force, for which an insurance company cannot provide a copy of a private letter rating rationale report to the SVO due to confidentiality or other contractual reasons ("waived submission PLR securities").
- b. The reporting entity is holding capital commensurate with the NAIC Designation and NAIC Designation Category reported for the security.
- c. The NAIC Designation and NAIC Designation Category were derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating, dated during the financial statement year, held by the insurer and available for examination by state insurance regulators.
- d. Other than for waived submission PLR securities, defined above, on or after January 1, 2024 for any PLR securities issued on or after January 1, 2022, if the reporting entity is not permitted to share this private credit rating or the private rating letter rationale report of the PL security with the SVO, it certifies that it is reporting it as an NAIC 5.B GI and may not assign any other self-designation.

Has the reporting entity self-designated PLGI to securities, all of which meet the above requirement and as specified in the P&P Manual?..... NO.....

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?..... NO.....

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?..... NO.....

38.1. Does the reporting entity directly hold cryptocurrencies?..... NO.....

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

39.1. Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies?..... NO.....

39.2. If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?

39.21 Held directly.....

39.22 Immediately converted to U.S. dollars.....

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

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

OTHER

40.1. Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?..... \$..... 3,868,142

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

1 Name	2 Amount Paid
Blue Cross Blue Shield Association.....	\$..... 1,313,319
Milliman Inc.....	1,624,929
Consotrium Health Plans Inc.....	717,945

41.1. Amount of payments for legal expenses, if any?..... \$..... 4,257,700

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

1 Name	2 Amount Paid
Crowell & Moring LLP.....	\$..... 1,588,606
Reed Smith LLP.....	803,147
Blue Cross Blue Shield Association.....	778,039

42.1. Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any?..... \$..... 74,045

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

1 Name	2 Amount Paid
Lobby Idaho LLC.....	\$..... 74,045

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? YES
- 1.2 If yes, indicate premium earned on U.S. business only..... \$ 33,276,038
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance..... \$ 27,815,469
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned..... \$ 14,785,303
- 1.62 Total incurred claims..... \$ 12,512,052
- 1.63 Number of covered lives..... 4,434
- All years prior to most current three years:
- 1.64 Total premium earned..... \$ 18,490,735
- 1.65 Total incurred claims..... \$ 15,303,417
- 1.66 Number of covered lives..... 5,626
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned..... \$
- 1.72 Total incurred claims..... \$
- 1.73 Number of covered lives.....
- All years prior to most current three years:
- 1.74 Total premium earned..... \$
- 1.75 Total incurred claims..... \$
- 1.76 Number of covered lives.....

2. Health Test:

	1	2
	Current Year	Prior Year
2.1 Premium Numerator.....	\$ 1,656,890,607	\$ 2,239,116,696
2.2 Premium Denominator.....	\$ 1,656,890,607	\$ 2,239,116,696
2.3 Premium Ratio (2.1/2.2).....	100.000 %	100.000 %
2.4 Reserve Numerator.....	\$ 318,391,764	\$ 216,013,319
2.5 Reserve Denominator.....	\$ 318,391,764	\$ 216,013,319
2.6 Reserve Ratio (2.4/2.5).....	100.000 %	100.000 %

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? NO
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? YES
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? NO
- 5.1 Does the reporting entity have stop-loss reinsurance? YES
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical..... \$ 2,000,000
- 5.32 Medical Only..... \$
- 5.33 Medicare Supplement..... \$
- 5.34 Dental and Vision..... \$
- 5.35 Other Limited Benefit Plan..... \$
- 5.36 Other..... \$ 2,000,000
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
The financial reserve levels of Blue Cross of Idaho Health Services, Inc. are closely scrutinized by the Idaho Insurance Department per Idaho Code Section 41-608 to be assured that the Company is financially able to provide insurance benefits to its members and pay covered health insurance claims to its providers.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? YES
- 7.2 If no, give details
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year..... 20,556
- 8.2 Number of providers at end of reporting year..... 22,306
- 9.1 Does the reporting entity have business subject to premium rate guarantees? NO
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months..... \$

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 9.22 Business with rate guarantees over 36 months \$
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? YES
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 190,229,251
- 10.22 Amount actually paid for year bonuses \$ 7,153,333
- 10.23 Maximum amount payable withholds \$
- 10.24 Amount actually paid for year withholds \$
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, NO
- 11.13 An Individual Practice Association (IPA), or, NO
- 11.14 A Mixed Model (combination of above)? NO
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? YES
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus Idaho
- 11.4 If yes, show the amount required \$ 2,000,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? NO
- 11.6 If the amount is calculated, show the calculation

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

1
Name of Service Area
State of Idaho

- 13.1 Do you act as a custodian for health savings accounts? NO
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date \$
- 13.3 Do you act as an administrator for health savings accounts? NO
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date \$
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? N/A

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

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

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).
- 15.1 Direct Premium Written \$
- 15.2 Total Incurred Claims \$
- 15.3 Number of Covered Lives

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

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? NO
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? NO

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2025	2024	2023	2022	2021
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	1,105,030,776	1,254,643,112	1,063,492,278	1,120,889,482	1,280,921,109
2. Total liabilities (Page 3, Line 24)	633,546,134	944,387,838	405,843,699	402,209,512	483,569,240
3. Statutory minimum capital and surplus requirement	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
4. Total capital and surplus (Page 3, Line 33)	471,484,642	310,255,273	657,648,579	718,679,970	797,351,869
Income Statement (Page 4)					
5. Total revenues (Line 8)	1,657,256,122	2,239,680,501	1,356,340,767	1,311,987,136	1,305,337,799
6. Total medical and hospital expenses (Line 18)	1,599,737,727	2,123,903,475	1,185,524,974	1,174,298,512	1,153,824,577
7. Claims adjustment expenses (Line 20)	96,433,920	112,533,442	44,791,441	43,744,617	38,616,916
8. Total administrative expenses (Line 21)	184,062,343	225,600,117	136,066,331	136,607,210	132,061,819
9. Net underwriting gain (loss) (Line 24)	28,922,132	(441,756,533)	(10,041,979)	(42,663,203)	(19,165,513)
10. Net investment gain (loss) (Line 27)	76,173,538	66,587,120	52,255,681	45,222,805	36,141,059
11. Total other income (Lines 28 plus 29)	28,974,821	(101,469,430)	(2,117,417)	(19,073)	
12. Net income or (loss) (Line 32)	152,465,149	(465,292,124)	39,523,295	1,521,600	16,074,072
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(306,087,937)	(153,891,721)	(730,503)	34,231,887	34,338,125
Risk-Based Capital Analysis					
14. Total adjusted capital	471,484,642	310,255,273	657,648,579	718,679,970	797,351,869
15. Authorized control level risk-based capital	61,759,955	81,710,482	55,276,960	60,594,878	69,295,469
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	313,470	305,019	237,132	249,194	243,525
17. Total members months (Column 6, Line 7)	3,853,269	3,667,105	2,843,499	2,932,845	2,968,728
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	96.6	94.8	87.4	89.5	88.4
20. Cost containment expenses	3.2	2.9	2.0	2.1	1.8
21. Other claims adjustment expenses	2.6	2.1	1.3	1.2	1.1
22. Total underwriting deductions (Line 23)	98.3	119.7	100.8	103.3	101.5
23. Total underwriting gain (loss) (Line 24)	1.7	(19.3)	(0.7)	(3.3)	(1.5)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5)	103,736,209	151,469,280	118,312,862	123,912,967	98,081,582
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)]	185,484,013	176,898,674	134,386,754	122,678,246	119,634,916
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 9 + 15, Col. 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 22, Col. 1)					
28. Affiliated common stocks (Sch. D Summary, Line 28, Col. 1)	45,489				
29. Affiliated mortgage loans on real estate					
30. All other affiliated		28,767,920	33,461,114	38,956,866	42,817,404
31. Total of above lines 26 to 30	45,489	28,767,920	33,461,114	38,956,866	42,817,404
32. Total investment in parent included in Lines 26 to 30 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3—Accounting Changes and Corrections of Errors? YES
 If no, please explain
 Results for 2021-2023 have not been restated.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

	States, Etc.	1 Active Status (a)	Direct Business Only									
			2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Plan Premiums	7 Life & Annuity Premiums & Other Considerations	8 Property / Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts	
1.	Alabama	AL	N									
2.	Alaska	AK	N									
3.	Arizona	AZ	N									
4.	Arkansas	AR	N									
5.	California	CA	N									
6.	Colorado	CO	N									
7.	Connecticut	CT	N									
8.	Delaware	DE	N									
9.	District of Columbia	DC	N									
10.	Florida	FL	N									
11.	Georgia	GA	N									
12.	Hawaii	HI	N									
13.	Idaho	ID	L	732,680,144	1,015,181,620	83,793,442		278,700,910			2,110,356,117	
14.	Illinois	IL	N									
15.	Indiana	IN	N									
16.	Iowa	IA	N									
17.	Kansas	KS	N									
18.	Kentucky	KY	N									
19.	Louisiana	LA	N									
20.	Maine	ME	N									
21.	Maryland	MD	N									
22.	Massachusetts	MA	N									
23.	Michigan	MI	N									
24.	Minnesota	MN	N									
25.	Mississippi	MS	N									
26.	Missouri	MO	N									
27.	Montana	MT	N									
28.	Nebraska	NE	N									
29.	Nevada	NV	N									
30.	New Hampshire	NH	N									
31.	New Jersey	NJ	N									
32.	New Mexico	NM	N									
33.	New York	NY	N									
34.	North Carolina	NC	N									
35.	North Dakota	ND	N									
36.	Ohio	OH	N									
37.	Oklahoma	OK	N									
38.	Oregon	OR	N									
39.	Pennsylvania	PA	N									
40.	Rhode Island	RI	N									
41.	South Carolina	SC	N									
42.	South Dakota	SD	N									
43.	Tennessee	TN	N									
44.	Texas	TX	N									
45.	Utah	UT	N									
46.	Vermont	VT	N									
47.	Virginia	VA	N									
48.	Washington	WA	N									
49.	West Virginia	WV	N									
50.	Wisconsin	WI	N									
51.	Wyoming	WY	N									
52.	American Samoa	AS	N									
53.	Guam	GU	N									
54.	Puerto Rico	PR	N									
55.	U.S. Virgin Islands	VI	N									
56.	Northern Mariana Islands	MP	N									
57.	Canada	CAN	N									
58.	Aggregate other alien	OT	XXX									
59.	Subtotal	XXX		732,680,144	1,015,181,620	83,793,442		278,700,910			2,110,356,117	
60.	Reporting entity contributions for employee benefit plans	XXX										
61.	Total (direct business)	XXX		732,680,144	1,015,181,620	83,793,442		278,700,910			2,110,356,117	
Details of Write-Ins												
58001.		XXX										
58002.		XXX										
58003.		XXX										
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX										
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX										

(a) Active Status Counts

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

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

All premiums written within the State of Idaho.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

