



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025
OF THE CONDITION AND AFFAIRS OF THE

HealthSpring Life & Health Insurance Company, Inc.

NAIC Group Code 0917 0917 NAIC Company Code 12902 Employer's ID Number 20-8534298
(Current) (Prior)

Organized under the Laws of Illinois, State of Domicile or Port of Entry IL

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health; Health Maintenance Organization

Is HMO Federally Qualified? Yes [] No [X]

Incorporated/Organized 02/27/2007 Commenced Business 02/27/2007

Statutory Home Office 300 East Randolph Street, Chicago, IL, US 60601-5099
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 300 East Randolph Street
(Street and Number)
Chicago, IL, US 60601-5099, 312-653-6000
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 300 East Randolph Street, Chicago, IL, US 60601-5099
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 300 East Randolph Street
(Street and Number)
Chicago, IL, US 60601-5099, 312-653-6000
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.hcsc.com

Statutory Statement Contact Connie Schmidt Ansley, 615-564-3480
(Name) (Area Code) (Telephone Number)
regulatory@cignahealthcare.com, 615-401-4566
and connie_ansley@hcsc.com
(E-mail Address) (FAX Number)

OFFICERS

Chief Executive Officer, President Stephen Devon Harris # Treasurer Lillian Michelle Sutton #
Secretary Arlene Keh Lim # Vice President, Compliance Kimberly Ann Green #

OTHER

Eric Roger Schmid #, Vice President, Tax Mark Edmond Ochal #, Vice President Minhe Yu #, Vice President
Marlena Powell Pickering #, Assistant Secretary

DIRECTORS OR TRUSTEES

Stephen Devon Harris # Kimberly Ann Green # Sachin Gupta #
Eric Roger Schmid # Lillian Michelle Sutton #

State of Tennessee SS
County of Sumner

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.

Stephen Devon Harris #
Chief Executive Officer, President

Lillian Michelle Sutton #
Treasurer

Arlene Keh Lim #
Secretary

Subscribed and sworn to before me this _____ day of _____, January, 2026

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

Kathleen G. Yates
Notary Public
October 26, 2027

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,087,675,009		1,087,675,009	666,195,789
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 9,674,571 , Schedule E - Part 1), cash equivalents (\$ 22,798,143 , Schedule E - Part 2) and short-term investments (\$, Schedule DA)	32,472,714		32,472,714	684,273,000
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	3,116,532	0	3,116,532	3,129,021
9. Receivables for securities			0	5,786
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,123,264,255	0	1,123,264,255	1,353,603,596
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	13,056,924		13,056,924	10,083,283
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	15,395,838	3,458,495	11,937,343	2,484,576
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$ 61,623,325) and contracts subject to redetermination (\$)	61,623,325		61,623,325	2,651,428
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	120,332,466		120,332,466	120,028,256
18.1 Current federal and foreign income tax recoverable and interest thereon	32,562,090		32,562,090	6,068,275
18.2 Net deferred tax asset			0	805,178
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	533,863,974		533,863,974	1,678,484
24. Health care (\$ 347,572,491) and other amounts receivable	412,024,565	64,452,074	347,572,491	132,368,189
25. Aggregate write-ins for other-than-invested assets	15,646,594	0	15,646,594	85,980
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,327,770,031	67,910,569	2,259,859,462	1,629,857,245
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	2,327,770,031	67,910,569	2,259,859,462	1,629,857,245
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Medicaid Receivable	6,650,444		6,650,444	0
2502. OIG Audit Risk Receivables	6,302,822		6,302,822	0
2503. HCA Cash Reserve	2,203,573		2,203,573	0
2598. Summary of remaining write-ins for Line 25 from overflow page	489,755	0	489,755	85,980
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	15,646,594	0	15,646,594	85,980

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$0 reinsurance ceded)	663,680,867	54,986,204	718,667,071	386,387,212
2. Accrued medical incentive pool and bonus amounts	47,409,375		47,409,375	29,003,171
3. Unpaid claims adjustment expenses.....		12,037,710	12,037,710	6,026,630
4. Aggregate health policy reserves, including the liability of \$273,295 for medical loss ratio rebate per the Public Health Service Act	222,152,005		222,152,005	220,636,883
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance.....			0	0
9. General expenses due or accrued.....	1,696,514		1,696,514	1,337,831
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable.....			0	0
12. Amounts withheld or retained for the account of others.....			0	0
13. Remittances and items not allocated.....	286,944		286,944	549,417
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current).....			0	0
15. Amounts due to parent, subsidiaries and affiliates.....	273,420,499		273,420,499	171,136,295
16. Derivatives.....			0	0
17. Payable for securities.....	1,171,305		1,171,305	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans.....	33,365		33,365	0
23. Aggregate write-ins for other liabilities (including \$172,160,423 current).....	172,160,423	0	172,160,423	120,827,554
24. Total liabilities (Lines 1 to 23).....	1,382,011,297	67,023,914	1,449,035,211	935,904,993
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	2,500,000	2,500,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	1,528,190,962	724,190,962
29. Surplus notes.....	XXX	XXX	0	0
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	(719,866,711)	(32,738,710)
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	810,824,251	693,952,252
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,259,859,462	1,629,857,245
DETAILS OF WRITE-INS				
2301. Amount Due to CMS	158,859,125		158,859,125	114,419,174
2302. Escheatment Liability	13,301,298		13,301,298	6,408,380
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	172,160,423	0	172,160,423	120,827,554
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	6,246,457	3,702,503
2. Net premium income (including \$ non-health premium income)	XXX	8,066,138,813	4,892,210,437
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4. Fee-for-service (net of \$ medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	38	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	8,066,138,851	4,892,210,437
Hospital and Medical:			
9. Hospital/medical benefits		5,658,839,267	3,564,195,890
10. Other professional services		311,996,770	123,682,131
11. Outside referrals	196,139,944	196,139,944	212,957,571
12. Emergency room and out-of-area	17,413,683	130,131,119	75,157,852
13. Prescription drugs		1,212,615,560	276,199,026
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		1,788,378	8,141,570
16. Subtotal (Lines 9 to 15)	213,553,627	7,511,511,038	4,260,334,040
Less:			
17. Net reinsurance recoveries		0	0
18. Total hospital and medical (Lines 16 minus 17)	213,553,627	7,511,511,038	4,260,334,040
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$495,535,216 cost containment expenses		521,455,844	257,255,449
21. General administrative expenses		799,812,781	509,070,121
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		1,296,803	63,630,167
23. Total underwriting deductions (Lines 18 through 22).....	213,553,627	8,834,076,466	5,090,289,777
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(767,937,615)	(198,079,340)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		81,845,610	60,208,400
26. Net realized capital gains (losses) less capital gains tax of \$266,531		4,956,474	(43,263,596)
27. Net investment gains (losses) (Lines 25 plus 26)	0	86,802,084	16,944,804
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$ (3,258,661))]		(3,258,661)	(1,431,558)
29. Aggregate write-ins for other income or expenses	0	0	0
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	(684,394,192)	(182,566,094)
31. Federal and foreign income taxes incurred	XXX	(34,097,004)	(18,750,942)
32. Net income (loss) (Lines 30 minus 31)	XXX	(650,297,188)	(163,815,152)
DETAILS OF WRITE-INS			
0601. Escheatment/Unclaimed Property	XXX	38	0
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	38	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	693,952,252	448,374,994
34. Net income or (loss) from Line 32	(650,297,188)	(163,815,152)
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 84,942	249,974	3,439,344
37. Change in net unrealized foreign exchange capital gain or (loss)		3
38. Change in net deferred income tax	(1,355,777)	(34,386,763)
39. Change in nonadmitted assets	(35,725,010)	(9,660,174)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (stock dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in	804,000,000	450,000,000
45.2 Transferred to capital (stock dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	116,871,999	245,577,258
49. Capital and surplus end of reporting period (Line 33 plus 48)	810,824,251	693,952,252
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	8,037,107,485	4,945,404,865
2. Net investment income	77,299,264	57,435,840
3. Miscellaneous income	38	0
4. Total (Lines 1 through 3)	8,114,406,787	5,002,840,705
5. Benefit and loss related payments	7,410,384,552	4,121,912,325
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	1,330,729,321	832,763,456
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(7,336,658)	(43,241,741)
10. Total (Lines 5 through 9)	8,733,777,215	4,911,434,040
11. Net cash from operations (Line 4 minus Line 10)	(619,370,428)	91,406,665
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	464,858,808	237,221,662
12.2 Stocks	463,729	1,066
12.3 Mortgage loans	0	72,258,433
12.4 Real estate	0	0
12.5 Other invested assets	0	2,159,728
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	195	3
12.7 Miscellaneous proceeds	1,177,091	1,196,553
12.8 Total investment proceeds (Lines 12.1 to 12.7)	466,499,824	312,837,445
13. Cost of investments acquired (long-term only exclude cash equivalents and short-term investments):		
13.1 Bonds	878,920,376	253,583,989
13.2 Stocks	738,457	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	3,134,220
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	879,658,833	256,718,209
14. Net increase/(decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(413,159,009)	56,119,236
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	314,000,000	450,000,000
16.3 Borrowed funds	0	(43,768,095)
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	66,729,151	153,321,824
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	380,729,151	559,553,729
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)	(651,800,286)	707,079,630
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	684,273,000	(22,806,630)
19.2 End of year (Line 18 plus Line 19.1)	32,472,714	684,273,000

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

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ANNUAL STATEMENT FOR THE YEAR 2025 OF THE HEALTHSPRING LIFE & HEALTH INSURANCE COMPANY, INC.

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	8,066,138,813							8,059,072,253	6,629,096				437,464	
2. Change in unearned premium reserves and reserve for rate credit	0													
3. Fee-for-service (net of \$ medical expenses)	0													XXX
4. Risk revenue	0													XXX
5. Aggregate write-ins for other health care related revenues	38	0	0	0	0	0	0	38	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	8,066,138,851	0	0	0	0	0	0	8,059,072,291	6,629,096	0	0	0	437,464	0
8. Hospital/medical benefits	5,658,839,267							5,659,123,698	(284,431)					XXX
9. Other professional services	311,996,770							311,996,770						XXX
10. Outside referrals	196,139,944							196,139,944						XXX
11. Emergency room and out-of-area	130,131,119							130,131,119						XXX
12. Prescription drugs	1,212,615,560							1,212,320,812	(6,760)				301,508	XXX
13. Aggregate write-ins for other hospital and medical incentive pool, withhold adjustments and bonus amounts	1,788,378	0	0	0	0	0	0	0	0	0	0	0	0	XXX
14. Subtotal (Lines 8 to 14)	7,511,511,038	0	0	0	0	0	0	7,511,500,721	(291,191)	0	0	0	301,508	XXX
15. Net reinsurance recoveries	0													XXX
16. Total medical and hospital (Lines 15 minus 16)	7,511,511,038	0	0	0	0	0	0	7,511,500,721	(291,191)	0	0	0	301,508	XXX
17. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
18. Claims adjustment expenses including \$ 495,535,216 cost containment expenses	521,455,844							521,455,844						
19. General administrative expenses	799,812,781							799,706,487	(113,866)				220,160	
20. Increase in reserves for accident and health contracts	1,296,803							1,296,803						XXX
21. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
22. Total underwriting deductions (Lines 17 to 22)	8,834,076,466	0	0	0	0	0	0	8,833,959,855	(405,057)	0	0	0	521,668	0
23. Net underwriting gain or (loss) (Line 7 minus Line 23)	(767,937,615)	0	0	0	0	0	0	(774,887,564)	7,034,153	0	0	0	(84,204)	0
DETAILS OF WRITE-INS														
0501. Aggregate write-ins for other health care related revenues	38							38						XXX
0502.														XXX
0503.														XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	38	0	0	0	0	0	0	38	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
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	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.														XXX
1302.														XXX
1303.														XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) individual				0
2. Comprehensive (hospital and medical) group				0
3. Medicare supplement				0
4. Vision only				0
5. Dental only				0
6. Federal employees health benefits plan	0			0
7. Title XVIII - Medicare	8,079,374,062		20,301,806	8,059,072,256
8. Title XIX - Medicaid	6,629,096			6,629,096
9. Credit A&H				0
10. Disability income				0
11. Long-term care				0
12. Other health	437,464			437,464
13. Health subtotal (Lines 1 through 12)	8,086,440,622	0	20,301,806	8,066,138,816
14. Life	0			0
15. Property/casualty	0			0
16. Totals (Lines 13 to 15)	8,086,440,622	0	20,301,806	8,066,138,816

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE HEALTHSPRING LIFE & HEALTH INSURANCE COMPANY, INC.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	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. Payments during the year:														
1.1 Direct	7,427,002,385							7,423,156,800	3,417,058				428,527	
1.2 Reinsurance assumed	0													
1.3 Reinsurance ceded	0													
1.4 Net	7,427,002,385	0	0	0	0	0	0	7,423,156,800	3,417,058	0	0	0	428,527	0
2. Paid medical incentive pools and bonuses	(16,617,826)							(16,617,826)						
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct	718,667,071	0	0	0	0	0	0	719,366,986	(703,941)	0	0	0	4,026	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net	718,667,071	0	0	0	0	0	0	719,366,986	(703,941)	0	0	0	4,026	0
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct	0													
4.2 Reinsurance assumed	0													
4.3 Reinsurance ceded	0													
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	47,409,375							47,409,375						
6. Net health care receivables (a)	249,559,579							249,813,991	(384,595)				130,183	
7. Amounts recoverable from reinsurers December 31, current year	0													
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct	386,387,212	0	0	0	0	0	0	382,997,448	3,388,902	0	0	0	862	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.4 Net	386,387,212	0	0	0	0	0	0	382,997,448	3,388,902	0	0	0	862	0
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct	0													
9.2 Reinsurance assumed	0													
9.3 Reinsurance ceded	0													
9.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	29,003,171							29,003,171						
11. Amounts recoverable from reinsurers December 31, prior year	0													
12. Incurred Benefits:														
12.1 Direct	7,509,722,665	0	0	0	0	0	0	7,509,712,347	(291,190)	0	0	0	301,508	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.4 Net	7,509,722,665	0	0	0	0	0	0	7,509,712,347	(291,190)	0	0	0	301,508	0
13. Incurred medical incentive pools and bonuses	1,788,378	0	0	0	0	0	0	1,788,378	0	0	0	0	0	0

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

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
	Total	2 Individual	3 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	206,353,914							207,054,693	(703,941)				3,162	
1.2 Reinsurance assumed	0													
1.3 Reinsurance ceded	0													
1.4 Net	206,353,914	0	0	0	0	0	0	207,054,693	(703,941)	0	0	0	3,162	0
2. Incurred but Unreported:														
2.1 Direct	512,313,157							512,312,293					864	
2.2 Reinsurance assumed	0													
2.3 Reinsurance ceded	0													
2.4 Net	512,313,157	0	0	0	0	0	0	512,312,293	0	0	0	0	864	0
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct	0													
3.2 Reinsurance assumed	0													
3.3 Reinsurance ceded	0													
3.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. TOTALS:														
4.1 Direct	718,667,071	0	0	0	0	0	0	719,366,986	(703,941)	0	0	0	4,026	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	718,667,071	0	0	0	0	0	0	719,366,986	(703,941)	0	0	0	4,026	0

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	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual					0	0
2. Comprehensive (hospital and medical) group					0	0
3. Medicare supplement					0	0
4. Vision only					0	0
5. Dental only					0	0
6. Federal employees health benefits plan					0	0
7. Title XVIII - Medicare	307,193,263	7,115,963,533	29,601,153	689,765,831	336,794,416	382,997,446
8. Title XIX - Medicaid	2,031,668	1,385,389	222,149	(926,090)	2,253,817	3,388,902
9. Credit A&H					0	0
10. Disability income					0	0
11. Long-term care					0	0
12. Other health	471,578	(43,050)	864	3,163	472,442	864
13. Health subtotal (Lines 1 to 12)	309,696,509	7,117,305,872	29,824,166	688,842,904	339,520,675	386,387,212
14. Health care receivables (a)	39,495,412	59,746,450	15,347,105	297,435,598	54,842,517	162,464,986
15. Other non-health					0	0
16. Medical incentive pools and bonus amounts	25,753,124	(42,370,950)	18,698,652	28,710,723	44,451,776	29,003,171
17. Totals (Lines 13 - 14 + 15 + 16)	295,954,221	7,015,188,472	33,175,713	420,118,029	329,129,934	252,925,397

(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)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	255,310	259,355	260,217	260,217	260,217
2.	2021	3,375,288	3,548,935	3,555,977	3,555,597	3,555,597
3.	2022	XXX	3,287,539	3,333,144	3,342,653	3,343,360
4.	2023	XXX	XXX	3,915,723	4,037,315	4,038,302
5.	2024	XXX	XXX	XXX	4,053,716	4,382,371
6.	2025	XXX	XXX	XXX	XXX	6,826,376

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	274,634	259,355	260,217	260,217	260,217
2.	2021	3,768,566	3,552,253	3,555,975	3,555,597	3,555,597
3.	2022	XXX	3,527,556	3,349,952	3,342,653	3,343,360
4.	2023	XXX	XXX	4,234,815	4,065,116	4,038,302
5.	2024	XXX	XXX	XXX	4,437,916	4,430,671
6.	2025	XXX	XXX	XXX	XXX	7,544,853

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	4,266,252	3,555,597	322,207	9.1	3,877,804	90.9			3,877,804	90.9
2. 2022	4,040,754	3,343,360	358,653	10.7	3,702,013	91.6			3,702,013	91.6
3. 2023	4,885,619	4,038,302	329,864	8.2	4,368,166	89.4			4,368,166	89.4
4. 2024	4,902,614	4,382,371	287,901	6.6	4,670,272	95.3	48,300	758	4,719,330	96.3
5. 2025	8,079,101	6,826,376	455,004	6.7	7,281,380	90.1	718,477	11,279	8,011,136	99.2

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE HEALTHSPRING LIFE & HEALTH INSURANCE COMPANY, INC.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	50,352	50,717	50,697	50,697	50,696
2. 2021	772,447	838,580	837,316	837,316	837,316
3. 2022	XXX	7,861	8,037	8,037	8,037
4. 2023	XXX	XXX	1,115	(29,885)	(29,885)
5. 2024	XXX	XXX	XXX	30,505	33,463
6. 2025	XXX	XXX	XXX	XXX	843

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	51,110	50,717	50,697	50,697	50,696
2. 2021	840,134	842,726	837,316	837,316	837,316
3. 2022	XXX	7,473	12,100	8,037	8,037
4. 2023	XXX	XXX	149	(25,857)	(29,885)
5. 2024	XXX	XXX	XXX	29,866	33,685
6. 2025	XXX	XXX	XXX	XXX	(83)

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	942,006	837,316	88,366	10.6	925,682	98.3			925,682	98.3
2. 2022	29,940	8,037	31,670	394.1	39,707	132.6			39,707	132.6
3. 2023	(2,084)	(29,885)	4	0.0	(29,881)	1,433.8			(29,881)	1,433.8
4. 2024	(6,823)	33,463		0.0	33,463	(490.4)	222		33,685	(493.7)
5. 2025	6,729	843		0.0	843	12.5	(926)		(83)	(1.2)

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE HEALTHSPRING LIFE & HEALTH INSURANCE COMPANY, INC.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	28	28	28	28	28
2. 2021	(189)	(76)	(76)	(76)	(76)
3. 2022	XXX	(55)	(1)	(1)	(1)
4. 2023	XXX	XXX	0	(260)	(260)
5. 2024	XXX	XXX	XXX	259	259
6. 2025	XXX	XXX	XXX	XXX	298

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2021	2 2022	3 2023	4 2024	5 2025
1. Prior	29	29	29	29	29
2. 2021	(76)	(76)	(76)	(76)	(76)
3. 2022	XXX	(1)	(1)	(1)	(1)
4. 2023	XXX	XXX	0	(260)	(260)
5. 2024	XXX	XXX	XXX	259	259
6. 2025	XXX	XXX	XXX	XXX	302

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	0	(76)		0.0	(76)	0.0			(76)	0.0
2. 2022		(1)		0.0	(1)	0.0			(1)	0.0
3. 2023		(260)		0.0	(260)	0.0			(260)	0.0
4. 2024		259		0.0	259	0.0	4		263	0.0
5. 2025	437	298		0.0	298	68.2			298	68.2

12.01

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	305,690	310,100	310,942	310,942	310,941
2.	2021	4,147,546	4,387,439	4,393,217	4,392,837	4,392,837
3.	2022	XXX	3,295,345	3,341,180	3,350,689	3,351,396
4.	2023	XXX	XXX	3,916,838	4,007,170	4,008,157
5.	2024	XXX	XXX	XXX	4,084,480	4,416,093
6.	2025	XXX	XXX	XXX	XXX	6,827,517

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2021	2 2022	3 2023	4 2024	5 2025
1.	Prior	325,773	310,101	310,943	310,943	310,942
2.	2021	4,608,624	4,394,903	4,393,215	4,392,837	4,392,837
3.	2022	XXX	3,535,028	3,362,051	3,350,689	3,351,396
4.	2023	XXX	XXX	4,234,964	4,038,999	4,008,157
5.	2024	XXX	XXX	XXX	4,468,041	4,464,615
6.	2025	XXX	XXX	XXX	XXX	7,545,072

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2021	5,208,258	4,392,837	410,573	9.3	4,803,410	92.2	0	0	4,803,410	92.2
2. 2022	4,070,694	3,351,396	390,323	11.6	3,741,719	91.9	0	0	3,741,719	91.9
3. 2023	4,883,535	4,008,157	329,868	8.2	4,338,025	88.8	0	0	4,338,025	88.8
4. 2024	4,895,791	4,416,093	287,901	6.5	4,703,994	96.1	48,526	758	4,753,278	97.1
5. 2025	8,086,267	6,827,517	455,004	6.7	7,282,521	90.1	717,551	11,279	8,011,351	99.1

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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	0												
2. Additional policy reserves (a)	215,641,000							215,641,000					
3. Reserve for future contingent benefits	0												
4. Reserve for rate credits or experience rating refunds (including \$ for investment income) ..	6,395,322							273,254	6,122,068				
5. Aggregate write-ins for other policy reserves	115,683	0	0	0	0	0	0	0	115,683	0	0	0	0
6. Totals (gross)	222,152,005	0	0	0	0	0	0	215,914,254	6,237,751	0	0	0	0
7. Reinsurance ceded	0												
8. Totals (Net)(Page 3, Line 4)	222,152,005	0	0	0	0	0	0	215,914,254	6,237,751	0	0	0	0
9. Present value of amounts not yet due on claims	0												
10. Reserve for future contingent benefits	0												
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0												
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501. CMS Risk Corridor	115,683								115,683				
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	115,683	0	0	0	0	0	0	0	115,683	0	0	0	0
1101.													
1102.													
1103.													
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes \$ 215,641,000 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)			2,623,238		2,623,238
2. Salary, wages and other benefits	127,769,336	16,760,267	(255,065)		144,274,538
3. Commissions (less \$ ceded plus \$ assumed)			214,827,388		214,827,388
4. Legal fees and expenses	11,882		(11,938)		(56)
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services ...	220,935,692	5,719,243	421,108,341		647,763,276
7. Traveling expenses	162,037	50,132	3,483,135		3,695,304
8. Marketing and advertising	3,784,105	225	15,120,681		18,905,011
9. Postage, express and telephone	6,673,843	235,283	10,231,095		17,140,221
10. Printing and office supplies	7,905,571	74	24,381,675		32,287,320
11. Occupancy, depreciation and amortization					0
12. Equipment	96,441	12,781	186,446		295,668
13. Cost or depreciation of EDP equipment and software	2,684,227	14,636	(658,875)		2,039,988
14. Outsourced services including EDP, claims, and other services					0
15. Boards, bureaus and association fees	28,282		2,092,505		2,120,787
16. Insurance, except on real estate					0
17. Collection and bank service charges			185,510		185,510
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			1,999,834		1,999,834
23.2 State premium taxes			(420,328)		(420,328)
23.3 Regulatory authority licenses and fees	67		1,533,022		1,533,089
23.4 Payroll taxes	1,661,554	194,851	3,786,523		5,642,928
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere				1,056,304	1,056,304
25. Aggregate write-ins for expenses	123,822,179	2,933,136	99,599,594	0	226,354,909
26. Total expenses incurred (Lines 1 to 25)	495,535,216	25,920,628	799,812,781	1,056,304	(a) 1,322,324,929
27. Less expenses unpaid December 31, current year	11,439,337	598,373	1,696,514		13,734,224
28. Add expenses unpaid December 31, prior year	5,899,697	126,932	1,337,831		7,364,460
29. Amounts receivable relating to uninsured plans, prior year			120,028,256		120,028,256
30. Amounts receivable relating to uninsured plans, current year			120,332,466		120,332,466
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	489,995,576	25,449,187	799,758,308	1,056,304	1,316,259,375
DETAILS OF WRITE-INS					
2501. Other general expenses	2,615	147,673	5,376,376		5,526,664
2502. Stipends					0
2503. Other general admin	9,555,256		94,223,218		103,778,474
2598. Summary of remaining write-ins for Line 25 from overflow page	114,264,308	2,785,463	0	0	117,049,771
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	123,822,179	2,933,136	99,599,594	0	226,354,909

(a) Includes management fees of \$ 1,189,811,746 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) .....8,137,387	..... 10,122,804
1.1 Bonds exempt from U.S. tax	(a) .....	.....
1.2 Other bonds (unaffiliated)	(a) .....34,690,111	..... 37,308,529
1.3 Bonds of affiliates	(a) .....0	.....0
2.1 Preferred stocks (unaffiliated)	(b) .....0	.....0
2.11 Preferred stocks of affiliates	(b) .....0	.....0
2.2 Common stocks (unaffiliated) .....	.....0	.....0
2.21 Common stocks of affiliates .....	.....0	.....0
3. Mortgage loans	(c) .....0	.....0
4. Real estate	(d) .....0	.....0
5. Contract Loans .....	.....0	.....0
6. Cash, cash equivalents and short-term investments	(e) .....34,040,751	..... 35,306,821
7. Derivative instruments	(f) .....0	.....0
8. Other invested assets .....	.....163,761	..... 163,761
9. Aggregate write-ins for investment income .....	.....0	.....0
10. Total gross investment income	77,032,009	82,901,914
11. Investment expenses		(g) .....1,056,304
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) .....0
13. Interest expense		(h) .....0
14. Depreciation on real estate and other invested assets		(i) .....0
15. Aggregate write-ins for deductions from investment income .....		.....0
16. Total deductions (Lines 11 through 15) .....		.....1,056,304
17. Net investment income (Line 10 minus Line 16)		81,845,610
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page	0	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15, above)	0	0

- (a) Includes \$2,340,460 accrual of discount less \$806,153 amortization of premium and less \$3,231,454 paid for accrued interest on purchases.
- (b) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued dividends on purchases.
- (c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (d) Includes \$0 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
- (e) Includes \$3,764,366 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (f) Includes \$0 accrual of discount less \$0 amortization of premium.
- (g) Includes \$0 investment expenses and \$0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$0 interest on surplus notes and \$0 interest on capital notes.
- (i) Includes \$0 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	7,007,907	0	7,007,907	0	0
1.1 Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2 Other bonds (unaffiliated)	(1,510,367)	0	(1,510,367)	334,915	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	(274,728)	0	(274,728)	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	195	0	195	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	5,223,007	0	5,223,007	334,915	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)	0		0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	3,458,495	1,452,222	(2,006,273)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset		635,540	635,540
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	64,452,074	30,096,797	(34,355,277)
25. Aggregate write-ins for other-than-invested assets	0	1,000	1,000
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	67,910,569	32,185,559	(35,725,010)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	67,910,569	32,185,559	(35,725,010)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0
2501. Other Receivable		1,000	1,000
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	0	1,000	1,000

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	279,702	459,877	463,950	470,383	470,590	5,564,907
2. Provider Service Organizations						
3. Preferred Provider Organizations	24,804	57,673	56,639	56,205	55,427	681,550
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	304,506	517,550	520,589	526,588	526,017	6,246,457
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS**1. Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The financial statements of HealthSpring Life and Health Insurance Company, Inc. (the Company) are presented in conformity with accounting practices and procedures of the National Association of Insurance Commissioners (NAIC) as prescribed or permitted by the Illinois Department of Insurance (the Department).

The Department recognizes only statutory practices prescribed or permitted by the State of Illinois for determining and reporting the financial condition and results of operations of a Health Maintenance Organization (HMO) for determining its solvency under Illinois Insurance Law. The NAIC's *Accounting Practices and Procedures Manual*, (SAP), has been adopted as a component of prescribed or permitted practices by the State of Illinois.

For both 2025 and 2024, the Company did not have any prescribed or permitted practice exceptions.

	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2025</u>	<u>2024</u>
<u>NET INCOME</u>					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ (650,297,188)	\$ (163,815,152)
(2) State Prescribed Practices that increase/ (decrease) NAIC SAP:					
None	—	—	—	—	—
(3) State Permitted Practices that increase/ (decrease) NAIC SAP:					
None	—	—	—	—	—
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ (650,297,188)</u>	<u>\$ (163,815,152)</u>
<u>SURPLUS</u>					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 810,824,251	\$ 693,952,252
(6) State Prescribed Practices that increase/ (decrease) NAIC SAP:					
Receivable from parent & affiliates	—	—	—	—	—
(7) State Permitted Practices that increase/ (decrease) NAIC SAP:					
None	—	—	—	—	—
(8) Surplus per NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 810,824,251</u>	<u>\$ 693,952,252</u>

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

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could affect the amounts reported and disclosed therein such that actual results differ from management's estimates.

C. Accounting Policies*Investments*

Investments are stated at values prescribed or permitted by the NAIC as follows:

1. *Cash, Cash Equivalents and Short-term Investments:* Cash and cash equivalents consist of cash and highly liquid investments, including money market mutual funds that are both readily convertible into known amounts of cash and have original maturities of three months or less. Cash equivalents are principally stated at amortized cost, which approximates fair value. All money market mutual funds are stated at net asset value (NAV) as a practical expedient for the measurement of fair value. Short-term investments include securities with maturities between three months and one year and are stated at amortized cost, except for short-term bonds

NOTES TO FINANCIAL STATEMENTS

with a NAIC 3-6 designation, which are carried at the lower of amortized cost or fair value.

2. *Bonds:* Bonds not backed by other loans are stated at amortized cost using the interest rate method, except for those bonds with a NAIC 3-6 designation, which are carried at the lower of amortized cost or fair value. Fair values are calculated based on market prices provided by the custodian. If there are no market prices provided by the custodian, the fair value is calculated by the Company in conjunction with its investment advisors. All NAIC Securities Valuation Office (SVO) identified bond exchange-traded funds (ETFs) held by the Company are reported at fair value.
3. *Common stocks:* Not Applicable
4. *Preferred stocks:* Not Applicable
5. *Mortgage Loans:* Not Applicable
6. *Asset-Backed Securities:* Asset-backed securities are carried at amortized cost, except for those asset-backed securities with an initial NAIC 3-6 designation, which are carried at the lower of amortized cost or fair value.

Prepayment assumptions for asset-backed securities are obtained from Mortgage Industry Advisor Corporation (MIAC) Mortgage Industry Medians (MIMs), Moody's Analytics, and Reuters, and the retrospective adjustment method is used. Once an asset-backed security has recognized an other-than-temporary impairment (OTTI), the security is prospectively accreted over its remaining life to the undiscounted estimate of principal recovery.

7. *Investments in Subsidiaries, Controlled, and Affiliated entities (SCA):* Not Applicable
8. *Joint Ventures, Partnerships and Limited Liability Companies:* Not Applicable
9. *Derivative instruments:* Not Applicable
10. *Other Investment Accounting Policies:*

The net unrealized capital gains (losses) on investments carried at fair value are reported in policyholders' surplus and are not recognized in income, unless there is deemed to be an OTTI, in which case the loss is charged to income.

Realized gains and losses are determined on a specific lot identification basis. Security transactions are accounted for on a trade-date basis, with any unsettled transactions recorded as due to or due from investment broker and included in receivables for securities and payables for securities in the balance sheets.

Impairments are recognized for investments where the decline in fair value is determined to be other than temporary. Investments in bonds not backed by other loans, common stocks, or preferred stocks are written down to fair value as the new cost basis. Investments in bonds backed by other loans are written down to the present value of cash flows expected to be collected, discounted at the loan-backed securities' effective yield immediately preceding the OTTI determination. In all cases, the amount of the write-down is accounted for as a realized loss in the Company's statements of revenues and expenses. In addition, unrealized losses would be considered realized for interest-related declines in fair value should the Company lack the intent and ability to hold these securities.

Other Accounting Policies

11. *Claims Unpaid, Unpaid Claims Adjustment Liability, and Accident and Health Policy Reserves:* Claims payable and liabilities for IBNR claims represent the Company's liability for services that have been performed by providers for members that have not been settled. These liabilities include medical claims reported to the Company, as well as an actuarially determined estimate of claims that have been incurred but not yet reported to the Company.

NOTES TO FINANCIAL STATEMENTS

The IBNR component is based upon the Company's historical claims data, current enrollment, health services utilization statistics and other related information. Estimating IBNR is complex and involves a significant amount of judgment. Changes in this estimate can materially affect, either favorably or unfavorably, the Company's statement of revenues and expenses or overall financial position.

The Company develops its estimate for IBNR using standard actuarial development methodologies, including the completion factor method. This method estimates liabilities for claims based upon the historical lag between the month when services are rendered and the month claims are paid and takes into consideration factors such as expected medical cost inflation, seasonality patterns, product mix, and membership changes. The completion factor is a measure of how complete the claims paid to date are relative to the estimate of the total claims for services rendered for a given reporting period. Although the completion factors are generally reliable for older service periods, they are more volatile, and hence less reliable, for more recent periods, given that the typical billing lag for services can range from a week to as much as 90 days from the date of service. As a result, for the most recent two to four months, the estimate for incurred claims is developed by also considering recent per member per month claim trends.

Each period, the Company reexamines the previously established estimates of claims payable and liabilities for IBNR claims based on actual claim submissions and other relevant changes in facts and circumstances. As the estimated liabilities recorded in prior periods become more exact, the Company increases or decreases the amount of the estimates, and includes the changes in hospital, medical, and pharmaceutical expenses in the period in which the change is identified. Therefore, the Company's reported results include the effects of more completely developed estimates associated with prior years.

Included in hospital, medical, and pharmaceutical expenses are claim payments, capitation payments, risk-sharing payments, and pharmacy costs, net of rebates, as well as estimates of future payments of claims provided for services rendered prior to year end. Capitation payments represent monthly contractual fees disbursed to physicians and other providers who are responsible for providing medical care to members. Risk sharing payments represent amounts paid under risk sharing arrangements with providers including independent physician associations. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers. Rebates are recognized when the rebates are earned according to the contractual arrangements with the respective vendors.

Reserves for premium deficiency reserve (PDR), The Centers of Medicare and Medicaid Services (CMS) medical loss ratio (MLR) Rebates, experience rebates, and risk corridor payables are shown as aggregate health policy reserves on the balance sheets.

12. *Premium Deficiency Reserves (PDR):* The Company assesses the underwriting results of contracts providing insurance coverage to members, further examining segments of business where current operating results and forecasts indicate probable future losses. The Company establishes a PDR in current operations to the extent that the sum of expected future claims and incurred costs, including claims adjustment expenses and administration costs, exceed the sum of related future premiums and anticipated investment income. For purposes of determining premium deficiencies, contracts are grouped in a manner consistent with the method in which the Company manages, prices, and markets such contracts. Estimates are continually reviewed, with any necessary adjustments reflected in current operations. Changes in assumptions for such items as medical cost, as well as changes in actual experience, could cause these estimates to change in the near term. The Company did consider anticipated investment income when calculating PDRs. As of December 31, 2025 and 2024, respectively, the Company had liabilities related to PDRs of \$215,641,000 and \$214,344,197. The need for PDR recognition was analyzed for policies the Company committed to for 2026 and 2025, respectively.

NOTES TO FINANCIAL STATEMENTS

13. *Uncollected Premiums:* Uncollected premiums receivable balances due from members greater than 90 days past due which are not reserved are included as non-admitted assets. Account balances are charged off after all means of collection have been exhausted and the potential for recovery is considered remote. Premiums due from the government for government insured plans, including amounts over 90 days past due, are included in admitted assets.
14. *Health Care Receivables:* Health care receivables, generally representing amounts due from contracted medical providers, are recorded when incurred. The portion of these receivables related to insured plans is reported as health care receivables, while the portion related to uninsured plans is reported in the Company's balance sheets as amounts receivable related to uninsured plans. Balances are classified as admitted assets to the extent that the Company has a payable with the same provider and will collect the receivable under the guidance included in Statements of Statutory Accounting Principles (SSAP) No. 84, *Health Care and Government Insured Plan Receivables*, for the portion of these receivables related to insured plans, while portions related to uninsured plans are classified as admitted assets to the extent that they are not over 90 days past due.
15. *Pharmacy Rebate Receivables:* Pharmacy rebate receivables are based on the PBM's estimate of the actual amounts due to the Company and an estimated amount calculated by the Company. The Company's estimated amount is based on the claims processed by the PBM in the current quarter multiplied by a contractual rate based on utilization. Pharmacy rebate receivables are included as healthcare receivables in the balance sheets. The income from pharmacy rebates is reported as a reduction of claims expense in the statutory basis statements of income. Generally, rebate amounts are invoiced monthly and settled based on contract payment terms.
16. *Accrued Medical Incentives and Bonus Amounts:* The Company contracts with physicians or provider groups to provide medical services to their members. The Company pays capitation or negotiated fees for defined services provided by the physicians. The Company and some of the physicians have entered into incentive sharing agreements. Under the terms of these agreements, certain providers are eligible to receive a provider bonus based on qualitative and quantitative factors. Incentive sharing balances are estimated using current experience to calculate the current receivable or payable for each contract. These estimates may be adjusted based on actual experience and contract terms. The incentive sharing receivables and payables are reported gross on the balance sheet. Incentive sharing receivables are admitted in accordance with SSAP No. 84, *Certain Health Care Receivables and Receivables Under Government Insured Plans* (SSAP 84).
- Payable to providers based on the incentive sharing agreements are included as accrued medical incentive pool and bonus amounts while receivables from provider are included as healthcare receivables in the Company's balance sheet.
17. *Premium Revenue:* Insured premiums consists of premiums from fully-insured contracts where the Company indemnifies its policyholders against costs for covered health benefits. Premiums include charges for reimbursement of benefits made under the insured contract, administration, risk and profit. Premiums are recognized as revenue over the period insurance coverage is provided, and, if applicable, include amounts recognized for MLR rebates, risk adjustment, reinsurance and risk corridor under contractual premium stabilization arrangements, the ACA or other regulatory requirements. The Company estimates amounts receivable and payable under these contractual terms, and to the extent that such estimated amounts vary from the final amounts paid, the adjustments are included in revenue in the period of final settlement. Premiums from the states or the CMS are based on eligibility lists produced by these government agencies.
18. *Medicare Risk Advantage:* The Company's Medicare premium revenue is subject to adjustment based on the health risk of its members. Managed care plans must capture, collect, and report diagnosis code information to CMS. After reviewing the respective submissions, CMS establishes the payments to Medicare plans at the beginning of the calendar year, and then adjusts premium levels on two separate occasions on a retroactive basis. The first retroactive risk premium adjustment for a given fiscal year

NOTES TO FINANCIAL STATEMENTS

generally occurs during the third quarter of such fiscal year. This initial settlement (the Initial CMS Settlement) represents the updating of risk scores for the current year based on the prior year's dates of service. CMS then issues a final retroactive risk premium adjustment settlement for the fiscal year in the following year (the Final CMS Settlement) based on the prior year's dates of service. The Company estimates and reports the year-to-date impact of both the Initial CMS Settlement and the Final CMS Settlement for the current CMS plan year as an adjustment to premium revenues. All such estimated amounts are periodically updated as necessary as additional diagnosis code information is reported to CMS and adjusted to actual amounts when the ultimate adjustment settlements are either received from CMS or the Company receives notification from CMS of such settlement amounts.

The Company's risk adjustment payments are subject to review and audit by CMS, which can potentially take several years to resolve completely. Any adjustment to net premium income and the related medical expense for risk-sharing arrangements with providers as a result of such review and audit would be recorded when estimable.

The Company's Medicare premium revenue is subject to accrued retrospective premium adjustments and contracts subject to redetermination as defined by SSAP No. 66 – *Retrospectively Rate Contracts* and SSAP No. 54R – *Individual and Group Accident and Health Contracts* (SSAP 54). The Company estimates accrued retrospective premiums adjustment for its Medicare business based on guidelines determined by CMS. The Company records accrued retrospective premium and contracts subject to redetermination as an adjustment to net premium income in the statutory basis statements of income.

19. *Medicare Stand-alone Part D and Medicare Advantage and Prescription Drug Contracts:* The Company provides prescription drug benefits pursuant to Medicare Advantage Part D. Prescription drug benefits under Medicare Advantage plans vary in terms of coverage levels and out-of-pocket costs for premiums, deductibles and coinsurance. All Part D plans are required by law to offer either standard coverage or its actuarial equivalent (with out-of-pocket threshold and deductible amounts that do not exceed those of standard coverage). In addition to standard coverage plans, the Company offers supplemental benefits in excess of the standard coverage.

To participate in Part D, the Company is required to provide written bids to CMS, which among other items, includes the estimated costs of providing prescription drug benefits. Payments from CMS are based on these estimated costs.

The monthly Part D payments the Company receives from CMS for Part D plans generally represent the Company's bid amount for providing insurance coverage, both standard and supplemental, and is recognized monthly as net premium income. The amount of CMS payments relating to the Part D standard coverage is subject to adjustment, positive or negative, based upon the application of risk corridors that compare the Company's prescription drug costs in its bids to CMS to the Company's actual prescription drug costs. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or the Company refunding to CMS a portion of the premium payments it previously received. The Company estimates and recognizes an adjustment to net premium income related to estimated risk corridor payments based upon its actual prescription drug cost for each reporting period as if the annual contract were to end at the end of each reporting period, in accordance with NAIC Interpretation No. 05-05, *Accounting for Revenues under Medicare Part D Coverage*. Risk corridor adjustments do not take into account estimated future prescription drug costs.

The Company recognizes net premium income for the Part D payments received from CMS for which it assumes risk. Certain Part D payments from CMS represent payments for claims the Company pays for which it assumes no risk. The Company accounts for these subsidies as amounts receivable relating to uninsured plans or liability for amounts held under uninsured plans on the balance sheet. The Company does not recognize premium income or hospital, medical, and pharmaceutical expenses for these subsidies as these amounts represent pass-through payments from CMS to fund deductibles, copayments, and other member benefits in accordance with SSAP No. 47, *Uninsured Plans* (SSAP 47).

NOTES TO FINANCIAL STATEMENTS

The Company recognizes prescription drug costs as incurred, net of rebates from its pharmacy benefit manager. The Company has subcontracted the prescription drug claims administration to a third party pharmacy benefit manager, Express Scripts, Inc.

Cost of care that is paid on a fee-for-service basis, a per diem basis, or other basis includes actual reported claims and an estimate of IBNR claims. IBNR claims are estimated by using historical trends, current membership statistics, and other information. Cost of care paid on a capitation basis is recognized in the month of coverage. Cost of pharmaceuticals is recognized in the month incurred.

20. *Asset Capitalization Policy:* The Company has not modified its capitalization policy from the prior period.
21. *Acquisition Costs:* Acquisition costs are certain marketing costs that vary with, and are primarily related to, the acquisition of member contracts. These costs are expensed as incurred and are included in general and administrative expenses in the accompanying statement of revenue and expenses.
22. *Nonadmitted Assets:* Certain assets designated as “nonadmitted assets” are excluded from the Company’s balance sheets and are charged directly to policyholders’ surplus. Nonadmitted assets consist principally of certain receivables and deferred tax assets. Under GAAP, these assets are included in the balance sheets, net of valuation allowances, if necessary.
23. *Income Taxes:* Deferred income taxes are provided for differences between the financial statement and the tax bases of assets and liabilities. Changes in deferred tax assets and liabilities are recorded as an addition or reduction to capital and surplus. Deferred taxes do not include amounts for state taxes. The application of SSAP No. 101—Income Taxes (SSAP No. 101) requires a company to evaluate the recoverability of deferred tax assets and to establish a valuation allowance, if necessary, to reduce the deferred tax asset to an amount that is more likely than not to be realized. The admissibility of deferred tax assets is limited to (1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse within three years of the balance sheet date; plus (2) the lesser of the remaining gross deferred tax assets expected to be realized within three years of the balance sheet date, or an amount that is no greater than the applicable percentage of capital and surplus as required to be shown on the statutory balance sheet of the reporting entity for the current reporting period’s statement filed with the domiciliary state commissioner adjusted to exclude any net deferred tax assets, electronic data processing equipment and operating system software, and any net positive goodwill; plus (3) the amount of remaining gross deferred tax assets that can be offset against existing gross deferred tax liabilities. The remaining deferred tax assets are nonadmitted.

D. Going Concern

In connection with preparing financial statements for each annual and interim reporting period, management evaluates whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued. There are no conditions or events that raise substantial doubt about the Company’s ability to continue as a going concern.

Management has made an evaluation of the Company's ability to continue as a going concern, including such factors as current financial position, recent earnings and liquidity and capital requirements. Although the Company has operating losses, the expectation is that the Company's capital and liquidity needs will be funded by its parent thus allowing the Company to continue as a going concern. Accordingly, the accompanying financial statements have been prepared on a going concern basis.

2. Accounting Changes and Corrections of Errors**A. Material Changes in Accounting Principles and/or Correction of Errors**

NOTES TO FINANCIAL STATEMENTS

Changes in Accounting Principles

Interpretations 24-02, *Medicare Part D Prescription Payment Plan* and 05-05, *Accounting for Revenues Under Medicare Part D Coverage* were updated to provide accounting and reporting guidance for the Medicare Part D Prescription Payment Plan (MPPP). The interpretations state that recoverables generated under the MPPP are admitted assets subject to the 90 days overdue rule. MPPP recoverables are also subject to impairment analysis. Uncollected recoverables should be written off as drug claims expense. Fully collected recoverables do not have an income statement impact. The Company adopted the guidance in Q1 2025, which had an immaterial impact to the Company's financial position or results of operations.

Statement of Statutory Accounting Principles (SSAP) No. 26, *Bonds*, SSAP No. 43, *Loan-Backed and Structured Securities*, and other related SSAPs were updated as part of the NAIC's principle-based bond definition project. Under the new bond definition, bonds are classified as either an "issuer credit obligation" or an "asset-backed security" and must establish a creditor relationship. Securities that exhibit equity-like features will transition to a new accounting and reporting standards under SSAP No. 21, *Other Admitted Assets*. The revisions were effective January 1, 2025. The adoption of this guidance did not have a material impact on the Company's financial position and results of operations.

Corrections of Errors - None.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Assumption Reinsurance

Not applicable.

D. Impairment Loss

Not applicable.

4. Discontinued Operations

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

Not applicable.

B. Change in Plan of Sale of Discontinued Operation

Not applicable.

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

Not applicable.

D. Equity Interest Retained in the Discontinued Operation After Disposal

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

NOTES TO FINANCIAL STATEMENTS**B. Debt Restructuring**

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

1. Prepayment assumptions for fixed-rate agency mortgage-backed securities are determined utilizing MIAC MIMs. MIMs are derived from a semimonthly dealer-consensus survey of long-term prepayment projections. Prepayment assumptions for other mortgage-backed, loan-backed and structured securities are obtained from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, data is obtained from Reuters which utilizes the median prepayment speed from contributors' models.
2. The Company had no loan-backed and structured securities with recognized other-than-temporary impairments where the Company had the intent to sell or does not have the intent and ability to retain the investment for a period of time sufficient to recover the amortized cost basis as of December 31, 2025.
3. The Company had no loan-backed and structured securities with recognized other-than-temporary impairments where the present value of cash flow expected to be collected is less than the amortized cost basis as of December 31, 2025.
4. As of December 31, 2025 and 2024, all loan-backed securities with an unrealized loss (fair value is less than cost or amortized cost) for which an OTTI has not been recognized in earnings as a realized loss (including securities with a recognized OTTI for non-interest related declines when a non-recognized interest related impairment remains), segregated by the amount of time the securities have been in an unrealized loss position, are as follows:

	2025	2024
a. The aggregate amount of unrealized losses:		
1. Less than 12 months:	\$ 138,468	\$ 155
2. 12 months or longer:	2,111	333,641
b. The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 months:	\$ 61,175,377	\$ 11,001
2. 12 months or longer:	88,120	2,548,549

5. The Company believes that all unrealized losses on individual securities are the result of normal price fluctuations due to market conditions and are not an indication of OTTI. Market conditions include interest rate fluctuations, credit quality, supply, and demand.

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

Not applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale

NOTES TO FINANCIAL STATEMENTS

Not applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

J. Real Estate

Not applicable.

K. Investments in Low Income Housing Tax Credits

Not applicable.

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

The Company has restricted assets on deposit with various regulatory agencies for the protection or benefit of enrolled members at December 31, 2025 and 2024. These amounts are reflected as bonds in the accompanying Balance Sheets. The following table presents the restricted assets as a percentage of total gross assets and total admitted assets.

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	—	—	—	—	—	—	—
b. Collateral held under security lending agreements	—	—	—	—	—	—	—
c. Subject to repurchase agreements	—	—	—	—	—	—	—
d. Subject to reverse repurchase agreements	—	—	—	—	—	—	—
e. Subject to dollar repurchase agreements	—	—	—	—	—	—	—
f. Subject to dollar reverse repurchase agreements	—	—	—	—	—	—	—
g. Placed under option contracts	—	—	—	—	—	—	—
h. Letter stock or securities restricted as to sale	—	—	—	—	—	—	—
i. FHLB capital stock	—	—	—	—	—	—	—
j. On deposit with states	\$ 5,949,241	\$ 8,536,648	\$(2,587,407)	\$ —	\$ 5,949,241	0.3 %	0.3 %
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—
l. Pledged collateral to FHLB (including assets backing funding)	—	—	—	—	—	—	—
m. Pledged as collateral not captured in other categories	—	—	—	—	—	—	—
n. Other restricted assets	—	—	—	—	—	—	—
o. Total Restricted Assets	<u>\$ 5,949,241</u>	<u>\$ 8,536,648</u>	<u>\$(2,587,407)</u>	<u>\$ —</u>	<u>\$ 5,949,241</u>	<u>0.3%</u>	<u>0.3%</u>

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories

Not applicable.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

Not applicable.

NOTES TO FINANCIAL STATEMENTS

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Not applicable.

M. Working Capital Finance Investments

Not applicable.

N. Offsetting and Netting of Assets and Liabilities

Not applicable.

O. 5GI Securities

Not applicable.

P. Short Sales

Not applicable.

Q. Prepayment Penalty and Acceleration Fees

<u>(In whole dollars)</u>	<u>General Account</u>	<u>Separate Account</u>
(1) Number of CUSIPs	3	—
(2) Aggregate amount of investment income	\$ 50,887	\$ —

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 and Limited Liability Companies

Not applicable.

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

Not applicable.

7. Investment Income

A. Bases, By Category of Investment Income, For Excluding (Nonadmitting) Any Investment Income Due and Accrued

Not applicable.

B. Total Amounts Excluded

Not applicable.

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

NOTES TO FINANCIAL STATEMENTS

Interest Income Due and Accrued	2025	2024
1. Gross	\$ 13,056,924	\$ 10,083,283
2. Nonadmitted	—	—
3. Admitted	\$ 13,216,358	\$ 10,083,283

D. The aggregate deferred interest

Not applicable.

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

Not applicable.

8. Derivative Instruments

A. Derivatives under SSAP No. 86 – Derivatives

Not applicable.

B. Derivatives under SSAP No. 108 – Derivative Hedging Variable Annuity Guarantees

Not applicable.

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.	12/31/2025		
	(1)	(2)	(3)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 177,877,079	\$ 14,610	\$ 177,891,689
(b) Statutory Valuation Allowance Adjustments	173,762,493	14,610	173,777,103
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	4,114,586	—	4,114,586
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	4,114,586	—	4,114,586
(f) Deferred Tax Liabilities	4,114,586	—	4,114,586
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)(1e – 1f)	\$ —	\$ —	\$ —
	12/31/2024		
	(4)	(5)	(6)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 53,018,347	\$ 9,249,142	\$ 62,267,489
(b) Statutory Valuation Allowance Adjustments	48,714,452	7,417,504	56,131,956
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	4,303,895	1,831,638	6,135,533
(d) Deferred Tax Assets Nonadmitted	—	635,540	635,540
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	4,303,895	1,196,098	5,499,993
(f) Deferred Tax Liabilities	4,303,895	390,920	4,694,815
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)(1e – 1f)	\$ —	\$ 805,178	\$ 805,178
	Change		
	(7)	(8)	(9)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 124,858,732	\$ (9,234,532)	\$ 115,624,200
(b) Statutory Valuation Allowance Adjustments	125,048,041	(7,402,894)	117,645,147
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(189,309)	(1,831,638)	(2,020,947)
(d) Deferred Tax Assets Nonadmitted	—	(635,540)	(635,540)
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	(189,309)	(1,196,098)	(1,385,407)
(f) Deferred Tax Liabilities	(189,309)	(390,920)	(580,229)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)(1e – 1f)	\$ —	\$ (805,178)	\$ (805,178)

NOTES TO FINANCIAL STATEMENTS

2.

	12/31/2025		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ —	\$ —	\$ —
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	—	—	—
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	—	—	—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	—	—	121,623,638
(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.	4,114,586	—	4,114,586
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 4,114,586	\$ —	\$ 4,114,586
	12/31/2024		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ —	\$ 805,178	\$ 805,178
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	—	—	—
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	—	—	—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	—	—	103,972,061
(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.	4,303,895	390,920	4,694,815
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 4,303,895	\$ 1,196,098	\$ 5,499,993
	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ —	\$ (805,178)	\$ (805,178)
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	—	—	—
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	—	—	—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	—	—	17,651,577
(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.	(189,309)	(390,920)	(580,229)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ (189,309)	\$ (1,196,098)	\$ (1,385,407)

3.

	2025	2024
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	302%	497%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	\$ 810,824,251	\$ 693,147,074

NOTES TO FINANCIAL STATEMENTS

4

Impact of Tax Planning Strategies	12/31/2025		12/31/2024	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.				
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$4,114,586	\$ —	\$4,303,895	\$1,831,638
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	— %	— %	— %	44 %
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	\$4,114,586	\$ —	\$4,303,895	\$1,196,098
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	— %	— %	— %	— %
(b) Does the Company's tax-planning strategies include the use of reinsurance?	Yes _____	No <u>X</u> _____		

	Change	
	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ (189,309)	\$(1,831,638)
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	— %	(44)%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	\$ (189,309)	\$(1,196,098)
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	— %	— %

B. Regarding deferred tax liabilities that are not recognized:

All deferred tax liabilities have been properly recognized.

C. Current income taxes incurred consist of the following major components:

	(1)	(2)	(3)
	12/31/2025	12/31/2024	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ (34,097,004)	\$ (18,750,942)	\$ (15,346,062)
(b) Foreign	—	—	—
(c) Subtotal (1a+1b)	(34,097,004)	(18,750,942)	(15,346,062)
(d) Federal income tax on net capital gains	266,531	66,161	200,370
(e) Utilization of capital loss carry-forwards	—	—	—
(f) Other	—	—	—
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ (33,830,473)	\$ (18,684,781)	\$ (15,145,692)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 2,865,615	\$ 1,380,562	\$ 1,485,053
(2) Unearned premium reserve	—	—	—
(3) Policyholder reserves	—	—	—
(4) Investments	—	—	—
(5) Deferred acquisition costs	—	—	—
(6) Policyholder dividends accrual	—	—	—
(7) Fixed assets	—	—	—
(8) Compensation and benefits accrual	—	—	—
(9) Pension accrual	—	—	—
(10) Receivables – nonadmitted	14,261,219	6,625,504	7,635,715

NOTES TO FINANCIAL STATEMENTS

(11) Net operating loss carry-forward	104,198,690	—	104,198,690
(12) Tax credit carry-forward	—	—	—
(13) Other		45,012,281	(45,012,281)
(14) Premium deficiency reserve	45,284,610	—	45,284,610
(15) Intangible asset	11,266,945	—	11,266,945
(99) Subtotal (sum of 2a1 through 2a13)	\$ 177,877,079	\$ 53,018,347	\$ 124,858,732
(b) Statutory valuation allowance adjustment	173,762,493	48,714,452	125,048,041
(c) Nonadmitted	—	—	—
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	\$ 4,114,586	\$ 4,303,895	\$ (189,309)
(e) Capital:			
(1) Investments	14,610	9,249,142	(9,234,532)
(2) Net capital loss carry-forward	—	—	—
(3) Real estate	—	—	—
(4) Other	—	—	—
(99) Subtotal (2e1+2e2+2e3+2e4)	\$ 14,610	\$ 9,249,142	\$ (9,234,532)
(f) Statutory valuation allowance adjustment	14,610	7,417,504	(7,402,894)
(g) Nonadmitted	—	635,540	(635,540)
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	\$ —	\$ 1,196,098	\$ (1,196,098)
(i) Admitted deferred tax assets (2d + 2h)	\$ 4,114,586	\$ 5,499,993	\$ (1,385,407)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ 710,166	\$ 670,935	\$ 39,231
(2) Fixed assets	—	—	—
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Other	—	3,632,960	(3,632,960)
(6) Allowance to manager accrual	3,404,420	—	3,404,420
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	\$ 4,114,586	\$ 4,303,895	\$ (189,309)
(b) Capital:			
(1) Investments	—	390,920	(390,920)
(2) Real estate	—	—	—
(3) Other	—	—	—
(99) Subtotal (3b1+3b2+3b3)	\$ —	\$ 390,920	\$ (390,920)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 4,114,586	\$ 4,694,815	\$ (580,229)
4. Net deferred tax assets/liabilities (2i – 3c)	\$ —	\$ 805,178	\$ (805,178)

	(1)	(2)	(3)
	12/31/2025	12/31/2024	(Col 1-2) Change
Total deferred tax assets	\$ 177,891,689	\$ 62,267,489	\$ 115,624,200
Total deferred tax liabilities	4,114,586	4,694,815	(580,229)
Net deferred tax asset (liabilities)	173,777,103	57,572,674	116,204,429
Statutory valuation allowance adjustment (SVA)	173,777,103	56,131,956	117,645,147
Net deferred tax asset/ (liabilities) after SVA	\$ —	\$ 1,440,718	\$ (1,440,718)
Tax effect of unrealized gains/(losses)			70,332
Change in net deferred income tax [(charge)/benefit]			\$ (1,370,386)

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was signed into law. OBBBA includes changes to the U.S. tax code, including, but not limited to, reinstatement of accelerated depreciation and expensing of domestic research and experimental costs. The Company is required to recognize the effect of tax law changes in the period of enactment. The Company has evaluated the tax impacts of the OBBBA which did not have a material effect to the financial statements. The Company will continue to monitor OBBBA, including the provisions that become effective in subsequent periods.

NOTES TO FINANCIAL STATEMENTS

D. Reconciliation of total statutory income taxes reported to tax at statutory rate:

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

	12/31/2025	Effective Tax Rate
Provision computed at statutory rate	\$ (143,666,809)	21.00%
Statutory Valuation Allowance	117,645,149	-17.20%
Change in non-admitted assets	(7,635,716)	1.12%
Acquisition Tax Adjustment	1,197,289	-0.18%
Total	\$ (32,460,087)	4.74%
Federal income taxes incurred	\$ (34,097,004)	4.98%
Tax on capital gains/(losses)	266,531	-0.04%
Change in net deferred income taxes	1,370,386	-0.20%
Total statutory income taxes	\$ (32,460,087)	4.74%

E. Deferred Taxes, Operating Losses, and Tax Credit Carryforwards

- At December 31, 2025, the Company had tax benefit from operating loss carryforward of \$104,198,690 from the 2025 tax year, which is expected to expire in 2045.
- Income taxes, ordinary and capital, available for recoupment in the event of future net losses.

	Ordinary	Capital
2025 \$	—	\$ —
2024	—	66,161
2023	—	—

- The Company has not made any protective tax deposits under IRC §6603 of which it reasonably expects to recover in a subsequent period.

F. Consolidated Federal Income Tax Returns

- For the period January 1, 2025 through March 19, 2025, the Company's federal income tax return is consolidated with The Cigna Group ("Cigna"), and the following subsidiaries:

ABD Group, Inc.	Cigna Healthcare of Colorado Inc	Express Scripts Pharmaceutical Procurement, LLC
Accredo Health Group, Inc.	Cigna Healthcare of Connecticut Inc	Express Scripts Pharmacy, Inc.
Accredo Health, Inc.	Cigna Healthcare of Florida Inc	Express Scripts Sales Operations, Inc.
AHG of New York, Inc.	Cigna Healthcare of Georgia Inc	Express Scripts Senior Care, Inc.
Alegis Care - Alabama PC	Cigna Healthcare of Illinois Inc	Express Scripts Services Company, Inc.
Alegis Care - District of Columbia PC	Cigna Healthcare of Indiana Inc	Express Scripts Specialty Distribution Services, Inc.
Alegis Care - Georgia P.C.	Cigna Healthcare of New Hampshire Inc	Express Scripts Strategic Development, Inc.
Alegis Care - Maryland PC	Cigna Healthcare of New Jersey Inc	Express Scripts Utilization Management, Inc.
Alegis Care - Missouri PC	Cigna Healthcare of North Carolina Inc	Express Scripts, Inc.
Alegis Care - Texas PC	Cigna Healthcare of South Carolina	Former Cigna Investments Inc
Alegis Care Michigan P.C.	Cigna Healthcare of St Louis Inc	Freco, Inc.
Alegis Care Of Florida PA	Cigna Healthcare of Tennessee Inc	Healthbridge Reimbursement & Product Support, Inc.
Alegis Care Ohio, PC	Cigna Healthcare of Texas Inc	Healthbridge, Inc.
Alegis Care Pennsylvania P.C.	Cigna Holding Company	Healthsource Benefits Inc
Allegiance Benefit Plan Management Inc	Cigna Holdings Inc	Healthsource Inc
Allegiance Cobra Services Inc	Cigna Holdings Overseas Inc	Healthsource Properties Inc
Allegiance Life & Health Insurance Co	Cigna Insurance Company	Healthspring Life & Health Insurance Company
Allegiance Re Inc	Cigna Integrated Care Inc	Healthspring of Florida, Inc.
American Retirement Life Insurance Company	Cigna Intellectual Property Inc	Healthspring, Inc.

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE HEALTHSPRING LIFE & HEALTH INSURANCE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS

Arizona Healthplan Inc	Cigna International Corporation	Home Physicians 2011 PC
Benefit Management Corp	Cigna International Finance Inc	Home Physicians Baltimore PC
BioPartners in Care, Inc.	Cigna International Services Inc	HS Clinical Services, PC
Bravo Health Advanced Care Center, PC MD	Cigna Investment Group Inc	IHN Inc.
Bravo Health Advanced Care Center, PC-PA	Cigna Investments Inc	Intermountain Underwriters Inc
Bravo Health Mid-Atlantic, Inc.	Cigna Linden Holdings Inc	Kronos Optimal Health Company
Bravo Health Pennsylvania, Inc.	Cigna Managed Care Benefits Company	Loyal American Life Insurance Company
Breakthrough Behavioral of Texas, Inc.	Cigna National Health Insurance Company	Lynnfield Compounding Center, Inc.
Breakthrough Behavioral, Inc.	Cigna Poplar Holdings Inc	Lynnfield Drug, Inc.
Brewer, P.C.	Cigna RE Corporation	MAH Pharmacy, LLC
Brighter, Inc.	Cigna Resource Manager Inc	Matrix Healthcare Services, Inc.
Care Continuum, Inc.	Cigna Worldwide Insurance Company	MCC Independent Practice Assoc of New York Inc
CareAllies, Inc.	Cigna-Evernorth Services, Inc.	MDL Medical Group TX, PLLC
CG Individual Tax Benefit Payments Inc	Connecticut General Benefit Payments Inc.	MDLive Medical Group (DE), P.A.
CG Life Pension Benefit Payments Inc	Connecticut General Corporation	MDLive Medical Group (IL), LLC
CG LINA Pension Benefit Payments Inc	Connecticut General Life Insurance Company	MDLive Medical Group (NC), P.C.
Chiro Alliance Corporation	Curascript, Inc.	MDLive Medical Group (NJ), LLC
Cigna Arbor Life Insurance Company	Diversified NY IPA, Inc.	MDLive Medical Group (NM), LLC
Cigna Benefits Financing, Inc.	Diversified Pharmaceutical Services, Inc.	MDLive Medical Group OR LLC
Cigna Dental Health Inc	ESI GP Holdings, Inc.	MDLive Medical Group, P.A.
Cigna Dental Health of California Inc	ESI Mail Order Processing, Inc.	MDLive, Inc.
Cigna Dental Health of Colorado Inc	ESI Mail Pharmacy Service, Inc.	Medco Containment Insurance Company of New York
Cigna Dental Health of Delaware Inc	ESSCH Holdings, Inc.	Medco Containment Life Insurance Company
Cigna Dental Health of Florida Inc	Evernorth Behavioral Care Group of California	Medco Health Information Network Partners, Inc.
Cigna Dental Health of Kansas Inc	Evernorth Behavioral Care Group of Florida	Medco Health Puerto Rico, LLC
Cigna Dental Health of Kentucky Inc	Evernorth Behavioral Care Group of New Jersey	Medco Health Services, Inc.
Cigna Dental Health of Maryland Inc	Evernorth Behavioral Care Group of New York	Medco Health Solutions, Inc.
Cigna Dental Health of Missouri Inc	Evernorth Behavioral Health of California, Inc.	Medsolutions Holdings, Inc.
Cigna Dental Health of New Jersey Inc	Evernorth Behavioral Health of Texas, Inc.	MSI Health Organization of Texas
Cigna Dental Health of North Carolina Inc	Evernorth Behavioral Health, Inc.	Patient Provider Alliance, Inc.
Cigna Dental Health of Ohio Inc	Evernorth Care Providers - California	PipelineRX Buyer, Inc.
Cigna Dental Health of Pennsylvania Inc	Evernorth Care Providers - Delaware PA PC	Priority Healthcare Corporation
Cigna Dental Health of Texas Inc	Evernorth Care Providers - New Jersey PC	Priority Healthcare Distribution, Inc.
Cigna Dental Health of Virginia Inc	Evernorth Care Providers- Arizona PC	Prohealth Parent, LLC
Cigna Dental Healthplan of Arizona Inc	Evernorth Care Providers Kansas PA	Provident American Life and Health Insurance Company
Cigna Direct Marketing Company Inc.	Evernorth Care Providers- Tennessee PC	Sagamore Health Network Inc
Cigna Federal Benefits Inc	Evernorth Care Solutions, Inc.	Semita, Inc.
Cigna Global Holdings Inc	Evernorth Federal Services, Inc.	Spectracare Health Care Ventures, Inc.
Cigna Global Insurance Company Limited	Evernorth Health, Inc.	SpectraCare, Inc.
Cigna Global Reinsurance Company LTD	Evernorth Medical Care Providers New York	Sterling Life Insurance Company
Cigna Health and Life Insurance Company	Evernorth Sales Operations, Inc.	Strategic Aligned Physicians, P.A.
Cigna Health Corporation	Evernorth Strategic Development, Inc.	Tel-Drug Inc
Cigna Health Management Inc	Evernorth Wholesale Distribution, Inc.	Temple Ins Company Limited
Cigna Healthcare Benefits Inc	eviCore 1, LLC	TFB Medical Practice (NY), PLLC
Cigna Healthcare Holdings Inc	Express Reinsurance Company	Thomas Fordham Brewer, MD, Inc.
Cigna Healthcare Inc	Express Scripts Administrators, LLC	Verity Solutions Group, Inc.

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE HEALTHSPRING LIFE & HEALTH INSURANCE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS

Cigna Healthcare of Arizona Inc	Express Scripts Canada Holding Company
Cigna Healthcare of California Inc	Express Scripts Health Information Network Partners, Inc.

For the period March 20, 2025 through December 31, 2025, the Company is included in the consolidated federal income tax return with its ultimate parent, Health Care Service Corporation, a Mutual Legal Reserve Company. The following entities are included in the consolidated federal income tax return in accordance with the Affiliations Schedule and excludes disregarded single member LLCs:

Health Care Service Corporation, a Mutual Legal Reserve Company	HealthSpring Healthcare of Colorado, Inc. f/k/a Cigna Healthcare of Colorado, Inc.
505 Insurance Company	HealthSpring Insurance Company f/k/a Cigna Insurance Company
Bravo Health Mid-Atlantic, Inc.	HealthSpring Life & Health Insurance Company, Inc.
Bravo Health Pennsylvania, Inc.	HealthSpring National Health Insurance Company f/k/a Cigna National Health Insurance Company
CareAllies	HealthSpring of Florida, Inc.
Dearborn Life Insurance Company	HealthSpring, Inc.
Dearborn National Life Insurance Company of New York	Illinois Blue Cross Blue Shield Insurance Company
Dental Solutions, Inc.	Luminare Health Benefits, Inc.
GHS General Insurance Agency, Inc.	Medco Containment Insurance Company of NY
GHS Health Maintenance Organization, Inc.	Medco Containment Life Insurance Company
GHS Insurance Company	MEDecision, Inc.
HCSC Insurance Services Company	Provident American Life & Health Insurance Company
HCSC Medicare	South Water Insurance Company
HCSC Medicare Holdings	Texas Blue Cross Blue Shield Insurance Company
HCSC Ventures, Inc.	

- For the period January 1, 2025 through March 19, 2025, the Company is party to Cigna's Consolidated Federal Income Tax Sharing Agreement (the Tax Sharing Agreement). The Tax Sharing Agreement sets forth the method of allocation of Cigna's federal income taxes to its wholly-owned domestic subsidiaries, including the Company. The Tax Sharing Agreement provides for immediate reimbursement to companies with net operating losses to the extent that their losses are used to reduce consolidated taxable income; while those companies with current taxable income as calculated under federal separate return provisions, are liable for payments determined as if they had each filed a separate return. However, current credit is given for any foreign tax credit, operating loss or investment tax credit carryovers actually used in the current consolidated return. The Company is an applicable reporting entity with tax allocation agreement exclusion for corporate alternative minimum tax purposes.

For the period March 20, 2025 through December 31, 2025, the method of allocation among the companies is subject to a written agreement, approved by the Company's Board of Directors, whereby allocation is made primarily on a separate return basis with a current credit for net operating losses or other items utilized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Further pursuant to the agreement, if the consolidated group incurs a corporate alternative minimum tax (CAMT), the Company may be allocated a portion of that consolidated liability. If allocated a portion of the consolidated CAMT liability, the Company would be allocated a corresponding amount of CAMT credit carryforward.

G. Federal or Foreign Income Tax Loss Contingencies

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date. As of December 31, 2025 management considers the Company's open tax years to include the return that will be filed for 2025.

H. Repatriation Transition Tax (RTT)

The Company is not subject to the Repatriation Transition Tax.

I. Alternative Minimum Tax (AMT) Credit

The Inflation Reduction Act ("IRA") was enacted on August 16, 2022 and includes a 15% corporate alternative minimum tax (CAMT) for applicable corporations which is effective for tax years beginning after 2022. For the period March 20, 2025 through December 31, 2025, the Company is a member of a tax-controlled group of corporations with its parent, Health Care Service Corporation, a Mutual Legal Reserve Company, and has determined it is an applicable reporting entity. The Company has made an accounting policy election to disregard CAMT when evaluating the need for a valuation allowance for its non-CAMT deferred tax assets.

The Company has no CAMT credits as of December 31, 2025.

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

A. Nature of Relationship

The Company is a managed care organization that focuses on Medicare, the federal government sponsored health insurance program primarily for U.S. citizens aged 65 and older, qualifying disabled persons, and persons suffering from end-stage renal disease and administered by CMS. It is an indirect wholly-owned subsidiary of Health Care Services Corporation (HCSC).

B. Description of the Transactions

In 2025, the Company recorded capital contributions from parent of \$162,000,000 on September 29, 2025, \$152,000,000 on November 25, 2025, and \$490,000,000 on February 27, 2026. In 2024, the Company received a capital contribution of \$450,000,000, which was received on July 26, 2024. The Company paid no dividends in 2025 or 2024.

C. Transactions with related parties who are not reported on Schedule Y

Not Applicable.

D. At December 31, 2025 and 2024, respectively, the Company reported \$260,443,475 as the net amount receivable from and \$169,457,811 as the net amount due to the parent, subsidiaries and affiliates. These amounts are typically settled monthly.

E. Guarantees Resulting in a Material Contingent Exposure – not applicable.

F. Management Services Agreement

Administrative Services Agreement - The Company has contracted for managerial, administrative, and financial support services through administrative services contracts with affiliated management companies. The Company paid \$1,189,811,746 and \$731,116,092 in 2025 and 2024, respectively, in exchange for these services.

Subsidiary Service Agreement – Following the close of the acquisition, the Company and its ultimate controlling parent, Health Care Service Corporation, a Mutual Legal Reserve Company ("HCSC"), entered into a Subsidiary Services Agreement ("SSA"). The SSA allows HCSC to provide certain administrative support services to the Company, including internal audit and legal support, financial reporting, communications, data/IT, human resources, compliance, etc. The SSA allows the Company to leverage shared resources within the insurance company holding system.

Federal Tax Allocation Agreement - Following the close of the acquisition, the Company and its ultimate controlling parent, Health Care Service Corporation, a Mutual Legal Reserve Company, entered into a Federal Tax Allocation Agreement ("FTAA"). The FTAA permits ("HCSC") to file a consolidated Corporation Income Tax Return pursuant to IRS rules.

G. Ownership

All outstanding shares of the Company are owned by NewQuest, LLC, a limited liability company domiciled in the state of Texas, which is a wholly owned subsidiary of HealthSpring, Inc., a Delaware corporation, which is an indirect wholly-owned subsidiary of HCSC. The HCSC organizational structure is documented in Schedule Y.

H. Upstream Intermediate Entity – not applicable.

NOTES TO FINANCIAL STATEMENTS

- I. Investment in SCA Entity that Exceeds 10% of Admitted Assets – not applicable.
- J. Investments in Impaired SCA's – not applicable.
- K. Investments in Foreign Insurance Subsidiaries – not applicable.
- L. Investment in a Downstream Non-Insurance Holding Company – not applicable.
- M. Investment in SCA – not applicable.
- N. Investment in Insurance – not applicable.
- O. SCA Loss Tracking- not applicable.

11. Debt

A. Debt and Capital Notes

The Company had no capital notes outstanding at December 31, 2025 and 2024.

The Company had no external borrowed money outstanding at December 31, 2025 and 2024.

B. FHLB Agreements

Not applicable.

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

A. Defined Benefit Plan

Not applicable.

B. Investment Policies and Strategies for Plan Assets

Not applicable.

C. Fair Value Measurement of Plan Assets

Not applicable.

D. Rate of Return on Plan Assets

Not applicable.

E. Defined Contribution Plan

Not applicable.

F. Multi-Employer Plan

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits

NOTES TO FINANCIAL STATEMENTS

Not applicable.

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

- A. The Company has 5,000,000 shares authorized, 2,500,000 shares issued and outstanding of \$1 par value Common Stock, owned entirely by NewQuest, LLC.
- B. The Company has no preferred stock outstanding.
- C. The payment of dividends by the Company to the shareholder is limited and can only be made from earned profits unless prior approval is received from the Department. The maximum amount of dividends that may be paid by insurance companies without prior approval is also subject to restrictions relating to statutory surplus and net income. The maximum ordinary dividend distribution allowed by the Company in 2026 is \$81,082,425. The Company's dividends are noncumulative.
- D. The Company recorded capital contributions from parent of \$804,000,000 in 2025 and \$450,000,000 in 2024. In 2025 and 2024, the Company paid no dividends.
- E. Within the limits of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

F. Restrictions on Unassigned Surplus

Not Applicable.

G. For Mutual Companies, Advances to Surplus Not Repaid

Not Applicable.

H. Stock Held by the Company, Including Stock of Affiliated Companies

Not Applicable.

I. Special Surplus Funds

Not Applicable.

J. Unassigned surplus was increased/(reduced) by the following:

	2025	2024
Unrealized gains and losses in surplus	\$ 249,974	\$ 3,439,344
Unrealized foreign exchange capital gain/loss	—	3
Change in deferred income tax	(1,355,777)	(34,386,763)
Change in nonadmitted assets	(35,725,010)	(9,660,174)

K. Surplus Note

Not Applicable.

L. Quasi-Reorganization

Not Applicable.

M. Date of a Quasi –Reorganization

Not Applicable.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

B. Assessments

Not Applicable.

C. Gain Contingencies

Not Applicable.

D. Claims-Related Extra Contractual Obligations

Not Applicable.

E. Joint and Several Liabilities

Not Applicable.

F. All Other Liabilities:

Litigation and Other Legal Matters:

The Company is frequently made party to a variety of legal proceedings, investigations, audits, and claims, including the specific matters described below. These legal proceedings include claims of or relating to bad faith claims processing, noncompliance with state and federal regulatory regimes, failure to timely or appropriately pay or administer claims and benefits, rescission of insurance coverage, anticompetitive practices, general contractual matters, intellectual property litigation, and employment litigation. Some of these legal proceedings are or are purported to be class actions or derivative claims. The Company is defending itself against the claims brought in these matters.

Where available information indicates that it is probable that a loss has been incurred, and said loss can be reasonably estimated, the Company accrues for the estimated loss by a charge to operations. However, it is not always possible to determine whether a loss is probable and estimable. Furthermore, due to the uncertainties regarding these matters, there is no guarantee that the final resolutions will not exceed the accrued amounts. As of December 31, 2025, the Company has appropriately considered the impact of these matters within its financial statements.

G. Uncollectible Amounts

Not Applicable.

15. Leases

A. Lessee Operating Leases

Not Applicable.

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

A. Transfer of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

C. Wash Sales

Not Applicable.

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

A. ASO Plans

Not Applicable.

B. ASC Plans

Not Applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contracts –

Not Applicable.

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

Not Applicable.

20. Fair Value Measurements

A. Fair Value Measurement Techniques and Inputs

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest-level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). There were no changes in valuation techniques from the prior period.

The levels of the fair value hierarchy are as follows, as defined by SSAP No. 100R, Fair Value, are as follows:

Level Input	Definition
<i>Level 1 -</i>	Inputs are unadjusted quoted prices for identical assets and liabilities in active markets <i>accessible at the measurement date</i> .
<i>Level 2 -</i>	Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.
<i>Level 3 -</i>	Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.
<i>Net Asset Value (NAV) -</i>	NAV per share is the amount of net assets attributable to each share of capital stock (other than senior equity securities, that is, preferred stock) outstanding at the close of the period. It excludes the effects of assuming conversion of outstanding convertible securities, whether or not their conversion would have a diluting effect.

In order to be classified as fair value, Level 1 unadjusted quoted market prices for identical assets or liabilities in active markets must be available. Fair values based on quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the

NOTES TO FINANCIAL STATEMENTS

instrument (e.g., market interest rates and volatilities, spreads, yield curves, reported trades, broker/dealer quotes, bids, and offers) are classified as fair value Level 2. Fair values not determined using the methods applicable to Levels 1 and 2, such as using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing) or other methods, models, and assumptions that management believes market participants would use to determine a current transaction price, are assigned to Level 3.

The Company's invested assets subject to this disclosure are priced principally through independent pricing services that obtain prices from reputable pricing vendors in the marketplace. Through contracted custodians and software vendors, the Company obtains prices for all securities and continually monitors and reviews the external pricing sources while actively attempting to resolve any pricing issues that may arise. These service providers use a market approach to find pricing of similar financial instruments.

These valuation techniques involve some level of management estimation and judgment, which become significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model, or input used.

1. Fair Value Measurements at Reporting Date

The following table summarizes fair value measurements by level as of December 31, 2025 and 2024 for financial instruments carried at fair value on a recurring basis:

Financial Assets at Fair Value	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
December 31, 2025					
Bonds	\$ —	\$ 6,816,795	\$ —	\$ —	\$ 6,816,795
Cash Equivalents	—	—	—	22,798,143	22,798,143
December 31, 2024					
Bonds	\$ —	\$ 9,929,035	\$ —	\$ —	\$ 9,929,035
Cash Equivalents	—	—	—	—	—

2. Reconciliation of Level 3 Investments

There were no financial instruments classified in Level 3 for the year ended 2025. The following table summarizes the changes in financial instruments classified in Level 3 for the years ended 2024.

For the year ended December 31, 2024

Level 3 Financial Assets	Beginning balance January 1, 2024	Transfers into Level 3	Transfers out of Level 3	Total losses included in Net Income (1)	Total losses included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance December 31, 2024
Bonds	\$ —	\$ 20,400,000	\$ —	\$ (20,400,000)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

3. Level 3 Transfers

It is the Company's policy to recognize transfers between fair value hierarchy levels at the end of the reporting period. There were no transfers between levels during 2025 or 2024.

4. Valuation Techniques and Inputs

See A above.

5. Derivative Reconciliation of Level 3 Investments - Not Applicable.

B. Other Fair Value Disclosures

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

C. Fair Value of All Financial Instruments

The following table provides the aggregate fair value for all financial instruments, excluding those accounted for under the equity method, by fair value hierarchy level as of December 31, 2025 and 2024.

Financial Assets	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
December 31, 2025							
Bonds	\$ 835,501,459	\$ 1,087,675,009	\$ —	\$ 835,501,459	\$ —	\$ —	\$ —
Asset-Backed Securities	264,884,775	262,171,834	—	264,884,775	—	—	—
Cash equivalents	22,798,143	—	—	—	—	22,798,143	—
Other invested assets	3,187,056	3,116,532	—	3,187,056	—	—	—
Cash	9,674,571	(26,070,261)	9,674,571	—	—	—	—
Total	\$1,136,046,004	\$1,123,264,255	\$ 9,674,571	\$ 1,103,573,290	\$ —	\$22,798,143	\$ —
December 31, 2024							
Bonds	\$ 646,652,733	\$ 666,195,789	\$ 7,414,864	\$ 639,237,869	\$ —	\$ —	\$ —
Cash equivalents	741,587,841	741,587,841	—	741,587,841	—	—	—
Other invested assets	3,097,971	3,129,021	—	3,097,971	—	—	—
Cash	(57,314,841)	(57,314,841)	(57,314,841)	—	—	—	—
Total	\$1,334,023,704	\$1,353,597,810	\$ (49,899,977)	\$ 1,383,923,681	\$ —	\$ —	\$ —

D. Disclosures about Financial Instruments Not Practicable to Estimate Fair Value – Not Applicable.

E. Investments Measured Using the NAV Practical Expedient – Not Applicable.

21. Other Items

A. Unusual or Infrequent Items

Not Applicable.

B. Troubled Debt Restructuring: Debtors

Not Applicable.

C. Other Disclosures

Assumed Multiple CMS Medicare Advantage Contracts

Effective January 1, 2025, the Company assumed, through contract novation, the Centers for Medicare & Medicaid Services Medicare Advantage contracts (“MA contract”) from Cigna HealthCare of Georgia, Inc., Cigna HealthCare of South Carolina, Inc., Cigna Healthcare of St Louis Inc., and Cigna Health and Life Insurance Company. The MA contract novation resulted in the Company’s full control of the contracts for dates of service before and after January 1, 2025. The Company received all required approvals from CMS and state regulatory departments.

Sale of the Company to Health Care Service Corporation

On March 19, 2025, The Cigna Group completed the sale of its Medicare Advantage, Medicare Individual Stand-Alone Prescription Drug Plans, Medicare and Other Supplemental Benefits, and CareAllies businesses to HCSC. All of the Company’s business was included in this sale.

D. Business Interruption Insurance Recoveries

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

E. State Transferable and Non-transferable Tax Credits

Not Applicable.

F. Subprime-Mortgage-Related Risk Exposure

1. The Company did not hold any subprime mortgage loans in 2025 or 2024 and, therefore, is not subject to the related risk exposure pertaining to subprime mortgages.
2. Direct Exposure through Investments in Subprime Loans – Not Applicable.
3. Direct Exposure through Other Investments – Not Applicable.
4. Underwriting Exposure to Subprime Mortgage Risk – Not Applicable.

G. Retained Assets

Not Applicable.

H. Insurance-Linked Securities (ILS) Contracts

Not Applicable.

I. Amount That Could be Realized on Life Insurance Where Reporting Entity is Owner or Beneficiary or Has Otherwise Obtained Rights to Control the Policy

Not Applicable.

22. Events Subsequent

Management of the Company has evaluated all events occurring after December 31, 2025 through February 27, 2026, the date the statutory-basis financial statements were available to be issued, to determine whether any event required either recognition or disclosure in the financial statements. Based on this evaluation, other than discussed below, no significant subsequent events occurred other than disclosed elsewhere in the financial statements.

Type I - Recognized Subsequent Events:

The Company received a \$490,000,000 capital contribution from parent on February 27, 2026, which is reflected in the statement as a receivable from parent and an increase in capital.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1- General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee or director of the Company?
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 credit?

NOTES TO FINANCIAL STATEMENTS

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)

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 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. None.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

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.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. Method Used to Estimate Accrued Retrospective Premium Adjustments – The Company estimates accrued retrospective premium adjustments for Medicare business based on guidelines determined by CMS.
- B. Where Accrued Retrospective Premium Adjustments are Recorded – The Company records accrued retrospective premium as an adjustment to net written premium.
- C. Amount of Net Written Premiums Subject to Retrospective Rating Features – The amount of net written premiums at 2025 and 2024 that are subject to retrospective rating features or subject to redetermination were:

	December 31	
	2025	2024
CMS risk adjustment		
Premium impact	\$ 435,184,618	\$ 155,645,889
Percentage of total premiums	5.4%	3.2%
Risk corridor adjustment		
Premium impact	\$ 63,353,840	\$ 22,165,738
Percentage of total premiums	0.8%	0.5%

D. Medical loss ratio rebates required pursuant to the Public Health Service Act

On January 1, 2014, the Company became subject to the minimum loss ratio rebate provisions of the Affordable Care Act (ACA). ACA requires payment of premium rebates to customers covered under the Company's comprehensive medical insurance if

NOTES TO FINANCIAL STATEMENTS

certain annual minimum medical loss ratios are not met. At the close of each quarter, the Company records its rebate accrual based on year-to-date estimated medical loss ratios calculated as prescribed by the interim final rule issued by the Department of Health & Human Services using year-to-date premium and claim information by state and market segment. Since this accrual reflects the amount of rebate that would be payable based on year-to-date estimated medical loss ratios, the amount of rebate will fluctuate as actual claim experience develops each calendar quarter.

The Company accrued a rebate of \$273,295 as of 2025 and none in 2024.

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ —	\$ —	\$ —	\$ —	\$ —
(2) Medical loss ratio rebates paid	—	—	—	—	—
(3) Medical loss ratio rebates unpaid	—	—	—	—	—
(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	\$ —
Current Reporting Year-to-date					
(7) Medical loss ratio rebates incurred	\$ —	\$ —	\$ —	\$ 273,295	\$ 273,295
(8) Medical loss ratio rebates paid	—	—	—	—	—
(9) Medical loss ratio rebates unpaid	—	—	—	273,295	273,295
(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	\$ 273,295

E. Risk Sharing Provisions of the Affordable Care Act – the Company does not write business subject to the Risk Sharing Provisions of the Affordable Care Act.

25. Change in Incurred Claims and Claim Adjustment Expenses

Activity in claims payable and liabilities for incurred but not reported claims and unpaid claims adjustment expense during the year ended 2025 and 2024 was as follows:

	2025	2024
Balance at end of prior year	\$ 392,413,842	\$ 308,611,285
Incurred related to:		
Current year	7,541,787,202	4,297,638,223
Prior years	84,985,233	(31,565,620)
Total incurred	7,626,772,435	4,266,072,603
Paid related to:		
Current year	6,846,933,218	3,938,144,034
Prior years	441,548,277	244,126,012
Total paid	7,288,481,495	4,182,270,046
Balance at end of current year	\$ 730,704,781	\$ 392,413,842

Amounts incurred related to prior years include changes in estimates of claims liabilities as the claims are ultimately settled. Negative amounts reported for incurred related to prior years (favorable development) result from the ultimate settlement of claims for amounts less than originally estimated. Positive amounts reported for incurred related to prior years (unfavorable development) result from the ultimate settlement of claims for amounts more than originally estimated. The prior year's unfavorable development in 2025 was primarily the result of higher frequency and severity of claims than originally estimated. The prior year's favorable development in 2024 was primarily the result of lower frequency and severity of claims than originally estimated. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

NOTES TO FINANCIAL STATEMENTS

Changes in unpaid claims adjustment expenses (CAE) and paid CAE of \$66,322,363 and \$14,202,555 for the years ended December 31, 2025 and 2024, respectively, are included in claim adjustment expenses in the income statement but are included in incurred claims as shown above.

Risk-sharing expenses of \$1,788,378 and expenses of \$8,141,570 for the years ended December 31, 2025 and 2024, respectively, are included as hospital, medical, and pharmaceutical expenses in the Statement of Revenues and Expenses but are excluded from incurred claims shown above.

26. Intercompany Pooling Arrangements

Not Applicable.

27. Structured Settlements

Not Applicable.

28. Health Care Receivables**A. Pharmaceutical Rebate Receivables**

The pharmacy rebates receivables are net of non-admitted receivables. The Company had non-admitted pharmacy rebates of \$30,976,240 and \$12,229,535 as of December 31, 2025 and 2024, respectively. The estimated pharmacy rebates are as follows:

Quarter ended	Estimated pharmacy rebates as reported in statutory basis financial statements	Pharmacy rebates as billed	Through December 31, 2025		
			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 of billing
December 31, 2025	\$ 281,806,463	\$ 309,099,588	\$ —	\$ —	\$ —
September 30, 2025	277,756,075	246,844,609	—	243,494,873	—
June 30, 2025	261,100,703	190,408,855	—	186,173,701	4,097,678
March 31, 2025	176,680,556	208,144,486	57,389,866	148,569,358	1,859,879
December 31, 2024	101,694,363	158,915,877	101,216,868	55,755,282	2,126,670
September 30, 2024	107,688,780	168,459,709	110,001,291	57,128,952	1,270,538
June 30, 2024	100,863,894	157,458,859	132,254,036	25,694,673	(427,063)
March 31, 2024	105,802,463	157,431,245	138,046,798	19,098,457	287,552
December 31, 2023	149,273,876	182,284,529	114,170,320	67,866,577	236,121
September 30, 2023	130,326,953	199,849,548	129,102,562	69,510,074	1,215,768
June 30, 2023	136,968,229	189,299,516	159,634,979	28,181,502	1,461,363
March 31, 2023	131,721,964	179,157,576	146,511,145	31,171,519	1,470,290

NOTES TO FINANCIAL STATEMENTS**B. Risk Sharing Receivables**

Calendar Year	Evaluation Period	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Collected in Year Invoiced	Actual Risk Sharing Receivable First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2025	2025	\$ —	\$ 46,700,671	\$ —	\$ 46,700,671	\$ —	\$ —	\$ —	\$ —
	2026	xxx	—	xxx	—	xxx	—	xxx	—
2024	2024	18,937,689	—	—	—	5,828,494	—	—	—
	2025	xxx	—	xxx	—	xxx	—	xxx	—
2023	2023	—	—	—	—	—	—	—	—
	2024	xxx	—	xxx	—	xxx	—	xxx	—

C. Medicare Prescription Payment Plan Receivables

(1) Amounts included in other health care receivable which are recoverable from participants in Medicare Part D Prescription Payment Plan for the current reporting period are \$419,084.

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

Name of Plan	Current Period Gross	1 - 30 Days	31 - 60 Days	61-90 Days	Over 90 Days	Nonadmitted	Admitted
Medicare Prescription Payment Plan	\$ 700,455	\$ 419,084	\$ —	\$ —	\$ 281,371	(281,371)	\$ 419,084
Total	\$ 700,455	\$ 419,084	\$ —	\$ —	\$ 281,371	\$ (281,371)	\$ 419,084

(3) Incurred claims expense includes no write-offs of impaired Medicare Prescription Payment Plan receivables for 2025.

D. Other Healthcare Receivables

Claims overpayment receivables	\$ 4,395,827
Other healthcare receivables	14,250,447
	<u>\$ 18,646,274</u>

29. Participating Policies

Not Applicable.

30. Premium Deficiency Reserves

Premium deficiencies occur when it is probable that expected claims expense (hospital, medical and pharmaceutical) and administrative expenses will exceed future premiums on existing insurance contracts. For purposes of estimating premium deficiency losses, contracts are grouped in a manner consistent with the Company's method of acquiring, servicing, and

NOTES TO FINANCIAL STATEMENTS

measuring the profitability of such contracts. The Company had liabilities related to premium deficiency reserves as shown below at December 31, 2025 and 2024.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
1. Liability carried for premium deficiency reserves	\$ 215,641,000	\$ 214,344,197
2. Date of the most recent evaluation of this liability	December 31, 2025	December 31, 2024
3. Was anticipated investment income utilized in the calculation?	Yes	Yes

31. Anticipated Salvage and Subrogation

Not Applicable.

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 [X] No []
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 [X] No [] N/A []
- 1.3 State Regulating? Illinois
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No []
- 2.2 If yes, date of change: 07/15/2025
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2023
- 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. 12/31/2023
- 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). 05/15/2025
- 3.4 By what department or departments?
Texas Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
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 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control %
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and 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.

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

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? Yes [] No [X]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [] No [] N/A [X]
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP,
155 North Wacker,
Chicago , IL 60606-1789
USA
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain.
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Sarah Hoover, Appointed Actuary, 1001 E Lookout Drive , Richardson, Texas , US -75082
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company ...
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$0
- 12.2 If yes, provide explanation
.....
- 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
N/A
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [X] No []
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
The Company's Code of Business Ethics and Conduct is reviewed annually, typically during the fourth quarter of each year. Any amendments are approved by the Board.
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$0
 - 20.12 To stockholders not officers.....\$0
 - 20.13 Trustees, supreme or grand (Fraternal Only)\$0
- 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.....\$0
 - 20.22 To stockholders not officers.....\$0
 - 20.23 Trustees, supreme or grand (Fraternal Only)\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$0
 - 21.22 Borrowed from others.....\$0
 - 21.23 Leased from others\$0
 - 21.24 Other\$0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$0
 - 22.22 Amount paid as expenses\$0
 - 22.23 Other amounts paid\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$490,719,807
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes [] No [X]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

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

INVESTMENT

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

GENERAL INTERROGATORIES

- 25.02 If no, give full and complete information, relating thereto
.....
- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
N/A
- 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. \$0
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$0
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
- 25.09 For the reporting entity's securities lending program state the amount of the following as of December 31 of the current year:
- 25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$0
- 25.092 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$0
- 25.093 Total payable for securities lending reported on the liability page \$0

- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes [X] No []
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements \$0
- 26.22 Subject to reverse repurchase agreements \$0
- 26.23 Subject to dollar repurchase agreements \$0
- 26.24 Subject to reverse dollar repurchase agreements \$0
- 26.25 Placed under option agreements \$0
- 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$0
- 26.27 FHLB Capital Stock \$0
- 26.28 On deposit with states \$5,949,241
- 26.29 On deposit with other regulatory bodies \$0
- 26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$0
- 26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$0
- 26.32 Other \$0

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

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

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [] No [X]
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 Yes [] No []
- 27.42 Permitted accounting practice Yes [] No []
- 27.43 Other accounting guidance Yes [] No []
- 27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] 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 [] No [X]
- 28.2 If yes, state the amount thereof at December 31 of the current year. \$
29. Excluding items in Schedule E, Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

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
Northern Trust Bank	50 South LaSalle Street Chicago, Illinois 60603

GENERAL INTERROGATORIES

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

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

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
JP Morgan Chase Bank NA	Northern Trust Bank	03/19/2025	Due to purchase of the Company by Health Care Service Corporation on March 19, 2025, the custodian has changed.

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 Name of Firm or Individual	2 Affiliation
Lillian Sutton	I.....
Wellington Management Company, LLP	U.....

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

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 [X] No [] N/A []

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
106595	Wellington Management Company LLP	Securities & Exchange Commission	DS.....

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

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
30.2999 - Total		0

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

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Issuer Credit Obligations	825,503,174	835,501,459	9,998,285
31.2 Asset-Backed Securities	262,171,835	264,884,775	2,712,940
31.3 Preferred stocks	0	0	0
31.4 Totals	1,087,675,009	1,100,386,234	12,711,225

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

Fair values are calculated based on market prices provided by the custodian. If there are no market prices provided by the custodian, the fair value is calculated by the Corporation in conjunction with its investment advisors.

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 [] No [X]

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 [] No []

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

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

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

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

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

Has the reporting entity self-designated 5GI securities? Yes [] No [X]

35. By self-designating PLGI securities, the reporting entity is certifying 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 a 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? Yes [] No [X]

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

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

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

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

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

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [] No [X] N/A []

GENERAL INTERROGATORIES

38.1 Does the reporting entity directly hold cryptocurrencies? Yes [] No [X]

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

39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies? Yes [] No [X]

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

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

1 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?\$0

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

41.1 Amount of payments for legal expenses, if any?\$0

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

42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any?\$0

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

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U.S. business only. \$ _____

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____

1.31 Reason for excluding
N/A

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. \$ _____ 0

1.6 Individual policies: Most current three years:

1.61 Total premium earned \$ 0

1.62 Total incurred claims \$ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned \$ 0

1.65 Total incurred claims \$ 0

1.66 Number of covered lives 0

1.7 Group policies: Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ 0

1.75 Total incurred claims \$ 0

1.76 Number of covered lives 0

2. Health Test:

		1	2	
		Current Year	Prior Year	
2.1	Premium Numerator	8,066,138,813	4,892,210,437	
2.2	Premium Denominator	8,066,138,813	4,892,210,437	
2.3	Premium Ratio (2.1/2.2)	1.000	1.000	
2.4	Reserve Numerator	988,228,451	636,027,266	
2.5	Reserve Denominator	988,228,451	636,027,266	
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000	

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]

3.2 If yes, give particulars:
.....

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No []

5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]

5.2 If no, explain:
Management has elected not to purchase stop-loss reinsurance based on historical trends

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$

5.32 Medical Only \$

5.33 Medicare Supplement \$

5.34 Dental & Vision \$

5.35 Other Limited Benefit Plan \$

5.36 Other \$

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
The Company participates exclusively in the Federal Medicare Advantage program with contracts from Centers for Medicare and Medicaid Services (CMS). These contracts include hold harmless provisions for members and continuations of care would be provided by CMS. The provider contracts also contain hold harmless and continuation of care provisions in the event of the Company's insolvency.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?..... Yes [X] No []

7.2 If no, give details
.....

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 821,290

8.2 Number of providers at end of reporting year 2,694,255

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]

9.2 If yes, direct premium earned:

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

9.22 Business with rate guarantees over 36 months \$.....

GENERAL INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No
- 10.2 If yes:
- | | |
|--|--|
| | 10.21 Maximum amount payable bonuses.....\$ 47,409,375 |
| | 10.22 Amount actually paid for year bonuses.....\$ .....(16,617,826) |
| | 10.23 Maximum amount payable withholds.....\$ |
| | 10.24 Amount actually paid for year withholds.....\$ |
- 11.1 Is the reporting entity organized as:
- | | |
|--|---|
| | 11.12 A Medical Group/Staff Model, Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| | 11.13 An Individual Practice Association (IPA), or, Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| | 11.14 A Mixed Model (combination of above)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. Illinois
- 11.4 If yes, show the amount required. \$ 1,500,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes 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
Alabama
Alaska
Arizona
Arkansas
Colorado
Connecticut
Delaware
District of Columbia
Florida
Georgia
Hawaii
Idaho
Illinois
Indiana
Iowa
Kansas
Kentucky
Louisiana
Maine
Maryland
Massachusetts
Michigan
Minnesota
Mississippi
Missouri
Montana
Nebraska
Nevada
New Hampshire
New Jersey
New Mexico
New York
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
Rhode Island
South Carolina
South Dakota
Tennessee
Texas
Utah
Vermont
Virginia
Washington
West Virginia
Wisconsin
Wyoming
.....

ANNUAL STATEMENT FOR THE YEAR 2025 OF THE HEALTHSPRING LIFE & HEALTH INSURANCE COMPANY, INC.

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

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

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

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

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

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 gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

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

FIVE-YEAR HISTORICAL DATA

	1 2025	2 2024	3 2023	4 2022	5 2021
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	2,259,859,462	1,629,857,245	1,175,888,497	981,834,495	1,167,801,362
2. Total liabilities (Page 3, Line 24)	1,449,035,211	935,904,993	727,513,503	447,727,892	705,554,835
3. Statutory minimum capital and surplus requirement	1,500,000	1,500,000	1,700,000	1,700,000	1,700,000
4. Total capital and surplus (Page 3, Line 33)	810,824,251	693,952,252	448,374,994	534,106,603	462,246,527
Income Statement (Page 4)					
5. Total revenues (Line 8)	8,066,138,851	4,892,210,437	4,870,958,097	4,117,905,030	5,201,620,038
6. Total medical and hospital expenses (Line 18)	7,511,511,038	4,260,334,040	4,061,140,441	3,305,634,095	4,471,717,145
7. Claims adjustment expenses (Line 20)	521,455,844	257,255,449	425,926,116	285,813,830	407,201,731
8. Total administrative expenses (Line 21)	799,812,781	509,070,121	440,263,561	318,808,025	350,478,712
9. Net underwriting gain (loss) (Line 24)	(767,937,615)	(198,079,340)	(204,530,400)	205,093,429	(9,269,234)
10. Net investment gain (loss) (Line 27)	86,802,084	16,944,804	49,786,405	37,810,138	34,608,743
11. Total other income (Lines 28 plus 29)	(3,258,661)	(1,431,558)	(995,219)	(938,174)	(1,835,608)
12. Net income or (loss) (Line 32)	(650,297,188)	(163,815,152)	(149,720,029)	191,709,001	22,600,950
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(619,370,428)	91,406,665	34,694,112	(22,802,303)	(22,736,704)
Risk-Based Capital Analysis					
14. Total adjusted capital	810,824,251	693,952,252	448,374,994	534,106,603	462,246,527
15. Authorized control level risk-based capital	268,648,589	139,384,541	141,027,836	124,101,428	170,677,806
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	526,017	304,506	317,171	254,549	328,017
17. Total members months (Column 6, Line 7)	6,246,457	3,702,503	3,691,284	3,138,263	3,997,323
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)	93.1	87.1	83.4	81.5	86.0
20. Cost containment expenses	6.1	5.1	8.4	6.7	7.4
21. Other claims adjustment expenses	0.3	0.1	0.3	0.3	0.4
22. Total underwriting deductions (Line 23)	109.5	104.0	104.2	96.4	100.2
23. Total underwriting gain (loss) (Line 24)	(9.5)	(4.0)	(4.2)	5.1	(0.2)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5)	329,129,934	107,501,127	39,101,593	232,421,847	338,918,789
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)]	252,925,397	114,503,683	65,731,013	324,272,449	344,251,213
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 9 + 15, Col. 1)	0				0
27. Affiliated preferred stocks (Sch. D Summary, Line 22, Col. 1)					0
28. Affiliated common stocks (Sch. D Summary, Line 28, Col. 1)					0
29. Affiliated mortgage loans on real estate					
30. All other affiliated					
31. Total of above Lines 26 to 30	0	0	0	0	0
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 [] No []
 If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, etc.	1 Active Status (a)	Direct Business Only								
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts
1. Alabama	AL	L	850,081,125						850,081,125	
2. Alaska	AK	L	0						0	
3. Arizona	AZ	L	15,806,759						15,806,759	
4. Arkansas	AR	L	78,566,659						78,566,659	
5. California	CA	N							0	
6. Colorado	CO	L	43,219,168						43,219,168	
7. Connecticut	CT	L	27,059,647						27,059,647	
8. Delaware	DE	L	13,681,433						13,681,433	
9. District of Columbia	DC	L	6,090,409						6,090,409	
10. Florida	FL	L	9,647,429						9,647,429	
11. Georgia	GA	L	532,586,167						532,586,167	
12. Hawaii	HI	L							0	
13. Idaho	ID	L							0	
14. Illinois	IL	L	374,663,142						374,663,142	
15. Indiana	IN	L							0	
16. Iowa	IA	L							0	
17. Kansas	KS	L							0	
18. Kentucky	KY	L	2,201,874						2,201,874	
19. Louisiana	LA	L							0	
20. Maine	ME	L	4,093,100						4,093,100	
21. Maryland	MD	L	6,543,195						6,543,195	
22. Massachusetts	MA	L							0	
23. Michigan	MI	L							0	
24. Minnesota	MN	L							0	
25. Mississippi	MS	L	219,419,585						219,419,585	
26. Missouri	MO	L	29,412,575						29,412,575	
27. Montana	MT	L							0	
28. Nebraska	NE	L							0	
29. Nevada	NV	L	11,468,566						11,468,566	
30. New Hampshire	NH	L							0	
31. New Jersey	NJ	L	72,945,412						72,945,412	
32. New Mexico	NM	L							0	
33. New York	NY	L	307,011,244						307,011,244	
34. North Carolina	NC	L	30,606,651						30,606,651	
35. North Dakota	ND	L							0	
36. Ohio	OH	L	7,739,978						7,739,978	
37. Oklahoma	OK	L							0	
38. Oregon	OR	L	27,055,485						27,055,485	
39. Pennsylvania	PA	L	45,908,576						45,908,576	
40. Rhode Island	RI	L							0	
41. South Carolina	SC	L	164,221,619						164,221,619	
42. South Dakota	SD	L							0	
43. Tennessee	TN	L	1,388,117,526						1,388,117,526	
44. Texas	TX	L	437,464	3,710,286,363	6,629,096				3,717,352,923	
45. Utah	UT	L	36,768,210						36,768,210	
46. Vermont	VT	L	13,619,645						13,619,645	
47. Virginia	VA	L	47,642,345						47,642,345	
48. Washington	WA	L	2,910,175						2,910,175	
49. West Virginia	WV	L							0	
50. Wisconsin	WI	L							0	
51. Wyoming	WY	L							0	
52. American Samoa	AS	N							0	
53. Guam	GU	N							0	
54. Puerto Rico	PR	N							0	
55. U.S. Virgin Islands	VI	N							0	
56. Northern Mariana Islands	MP	N							0	
57. Canada	CAN	N							0	
58. Aggregate other aliens	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	437,464	8,079,374,062	6,629,096	0	0	0	0	8,086,440,622	0
60. Reporting entity contributions for employee benefit plans	XXX								0	
61. Totals (direct business)	XXX	437,464	8,079,374,062	6,629,096	0	0	0	0	8,086,440,622	0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

(a) Active Status Counts:

- 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 50
- 2. R - Registered - Non-domiciled RRGs..... 0
- 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state. 0
- 4. Q - Qualified - Qualified or accredited reinsurer..... 0
- 5. N - None of the above - Not allowed to write business in the state..... 7

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

Medicare Advantage premiums are based upon premiums received from the Centers for Medicare and Medicaid Services (CMS) for each state by health plan and primary benefit plan (PBP) number; medicare EGWP premiums are allocated by state using membership data. Medicaid premiums are applied to the appropriate state based on the source of the revenue. Medicaid business is in run-off. All Medicaid premiums were TX Medicaid.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

COMPANY	NAIC CODE	FEDERAL ID NUMBERS	DOMICILED STATE	PERCENTAGE OWNED BY PARENT
HEALTH CARE SERVICE CORPORATION, A MUTUAL LEGAL RESERVE COMPANY	70670	36-1236610	IL	
DEARBORN LIFE INSURANCE COMPANY	71129	36-2598882	IL	100.00%
DEARBORN NATIONAL LIFE INSURANCE COMPANY OF NEW YORK	85090	22-3026145	NY	100.00%
DENTAL NETWORK OF AMERICA, LLC		36-3339483	DE	100.00%
DENTEMAX, LLC		38-2612298	DE	100.00%
DENTAL SOLUTIONS, INC.		20-1067299	MI	100.00%
HCSC PURCHASING, LLC		36-4186601	DE	100.00%
HCSC INSURANCE SERVICES COMPANY	78611	73-1350270	IL	100.00%
PRIME HEALTH HOLDINGS LLC		38-4358504	DE	38.98%
AVAILITY, LLC		59-3715944	DE	21.44%
CAREALLIES, INC.		81-2760646	DE	100.00%
CAREALLIES ACCOUNTABLE CARE COLLABORATIVE, LLC		85-0954556	DE	100.00%
CAREALLIES ACCOUNTABLE CARE SOLUTIONS, LLC		87-1813801	DE	100.00%
CAPITAL GROUP FOR BETTER HEALTH, LLC		88-4112374	DE	51.00%
COLLECTIVEHEALTH, INC.		46-3985383	DE	12.35%
GHS INSURANCE COMPANY	29718	73-1507369	OK	100.00%
GHS GENERAL INSURANCE AGENCY, INC.		73-1514691	OK	100.00%
GHS HEALTH MAINTENANCE ORGANIZATION, INC. D/B/A BLUELINCS HMO	11814	73-1191843	OK	100.00%
MEDECISION, INC.		23-2530889	PA	100.00%
EXCELL HEALTHCARE ADVISORS, LLC		88-4252820	DE	100.00%
GSI HEALTH, LLC		80-0849331	PA	100.00%
HEALTH INTELLIGENCE COMPANY LLC D/B/A BLUE HEALTH INTELLIGENCE		27-4269034	DE	10.64%
INNOVISTA, LLC		30-0802612	DE	100.00%
ESSENTIAL HEALTH PARTNERS, LLC		83-3093990	IL	40.00%
INNOVISTA HEALTH PARTNERS, LLC		99-4379181	TX	100.00%
INNOVISTA MEDICAL CENTER TEXAS, LLC D/B/A INNOVISTA MEDICAL CENTER		83-4213500	TX	100.00%
SOLERA HEALTH, INC.		47-5298764	DE	28.51%
TRIWEST ALLIANCE INC.		86-0813402	DE	15.51%
HCSC VENTURES, INC.		37-1789176	DE	100.00%
ALACURA HOLDINGS, INC. ¹		83-2215567	DE	23.34%
BLUECROSS BLUESHIELD VENTURES, INC.		26-2930757	DE	21.55%
BLUECROSS BLUESHIELD VENTURE PARTNERS, L.P.		26-2936839	DE	1.00%
BLUECROSS BLUESHIELD VENTURE PARTNERS, L.P.		26-2936839	DE	21.34%
COGITATIVO, INC.		47-1692551	DE	14.73%
HEALTHBOX CHICAGO III LLC		47-0970280	DE	36.27%
HCSC INVESTMENTS, LLC		87-4386908	DE	100.00%
ILLINOIS BLUE CROSS BLUE SHIELD INSURANCE COMPANY	16013	61-1782332	IL	100.00%
505 INSURANCE COMPANY	16359	38-3984430	NM	100.00%
TEXAS BLUE CROSS BLUE SHIELD INSURANCE COMPANY	15941	36-4836697	TX	100.00%
SOUTH WATER INSURANCE COMPANY		84-2710924	UT	100.00%

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

LUMINARE HEALTH BENEFITS, INC.		35-1846036	DE	100.00%
HCSC MEDICARE HOLDINGS INC.		99-1184798	DE	100.00%
HCSC MEDICARE INC.		99-1194574	DE	100.00%
CERES SALES OF OHIO, LLC		34-1970892	OH	100.00%
HEALTHSPRING HEALTHCARE OF COLORADO, INC. (FKA CIGNA HEALTHCARE OF COLORADO, INC.)	95604	84-1004500	CO	100.00%
HEALTHSPRING NATIONAL HEALTH INSURANCE COMPANY (FKA CIGNA NATIONAL HEALTH INSURANCE CO.)	61727	34-0970995	OH	100.00%
PROVIDENT AMERICAN LIFE & HEALTH INSURANCE COMPANY	67903	23-1335885	OH	100.00%
HEALTHSPRING INSURANCE COMPANY (FKA CIGNA INSURANCE COMPANY)	65269	75-2305400	OH	100.00%
HEALTHSPRING, INC.		20-1821898	DE	100.00%
NEWQUEST, LLC		76-0628370	TX	100.00%
HEALTHSPRING LIFE & HEALTH INSURANCE COMPANY, INC.	12902	20-8534298	IL	100.00%
HEALTHSPRING MANAGEMENT OF AMERICA, LLC		20-8647386	DE	100.00%
HEALTHSPRING OF FLORIDA, INC.	11532	65-1129599	FL	100.00%
HEALTHSPRING USA, LLC		72-1559530	TN	100.00%
HOUQUEST, LLC		75-3108521	DE	100.00%
GULFQUEST, LP		76-0657035	TX	99.00%
NEWQUEST MANAGEMENT NORTHEAST, LLC		52-1929677	DE	100.00%
BRAVO HEALTH PENNSYLVANIA, INC.	11524	52-2363406	PA	100.00%
BRAVO HEALTH MID-ATLANTIC, INC.	10095	52-2259087	MD	100.00%
NEWQUEST MANAGEMENT ALABAMA, LLC		33-1033586	AL	100.00%
NEWQUEST MANAGEMENT OF FLORIDA, LLC		20-4954206	FL	100.00%
NEWQUEST MANAGEMENT OF ILLINOIS, LLC		77-0632665	IL	100.00%
TENNESSEE QUEST, LLC		20-5524622	TN	100.00%
TEXQUEST, LLC		75-3108527	DE	100.00%
GULFQUEST, LP		76-0657035	TX	1.00%
LOYAL AMERICAN LIFE INSURANCE COMPANY	65722	63-0343428	OH	100.00%
AMERICAN RETIREMENT LIFE INSURANCE COMPANY	88366	59-2760189	OH	100.00%
MEDCO CONTAINMENT INSURANCE COMPANY OF NEW YORK	34720	13-3506395	NY	100.00%
MEDCO CONTAINMENT LIFE INSURANCE COMPANY	63762	42-1425239	PA	100.00%
STERLING LIFE INSURANCE COMPANY	77399	13-1867829	IL	100.00%
CIVICAScript, LLC		84-4777602	DE	0.00%
CARING FOR CHILDREN FOUNDATION OF TEXAS, INC.		75-2393811	TX	0.00%
HCSC COMMUNITY IMPACT FOUNDATION		41-3110584	DE	0.00%
THE OKLAHOMA CARING FOUNDATION, INC.		73-1470846	OK	0.00%
THE CARING FOUNDATION OF MONTANA, INC.		35-2613131	MT	0.00%
PLANITES CREDIT UNION		36-6057472	IL	0.00%
LIFETIME FEDERAL CREDIT UNION		75-6020171	TX	0.00%

¹Includes 2.78% passive investment through private equity funds.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols: 1 - 2)	4 Net Admitted Assets
2504. State Income Tax Receivable	489,755		489,755	85,980
2597. Summary of remaining write-ins for Line 25 from overflow page	489,755	0	489,755	85,980

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
2504. Loss adjustment expenses		2,785,463			2,785,463
2505. Pay for Quality					0
2506. Disease management	9,779,701				9,779,701
2507. Member rewards	104,484,607				104,484,607
2597. Summary of remaining write-ins for Line 25 from overflow page	114,264,308	2,785,463	0	0	117,049,771