

# **UnitedHealthcare Insurance Company**

Statutory Basis Financial Statements as of and  
for the Years Ended December 31, 2024 and 2023,  
Supplemental Schedules as of and for the  
Year Ended December 31, 2024,  
Independent Auditor's Report and Qualification Letter

# UNITEDHEALTHCARE INSURANCE COMPANY

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## **INDEPENDENT AUDITOR'S REPORT**

To the Audit Committee of  
UnitedHealthcare Insurance Company  
185 Asylum Street  
Hartford, CT 06103-3408

### **Opinion**

We have audited the statutory basis financial statements of UnitedHealthcare Insurance Company (the "Company"), which comprise the statutory basis statements of admitted assets, liabilities, and capital and surplus as of December 31, 2024 and 2023, and the related statutory basis statements of operations, changes in capital and surplus, and cash flows for the years then ended, and the related notes to the statutory basis financial statements (collectively referred to as the "statutory basis financial statements").

In our opinion, the accompanying statutory basis financial statements present fairly, in all material respects, the admitted assets, liabilities, and capital and surplus of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with the accounting practices prescribed or permitted by the Connecticut Insurance Department described in Note 1.

### **Basis for Opinion**

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

### **Statutory Basis of Accounting**

We draw attention to Note 1 of the statutory basis financial statements, which describes the basis of accounting. As described in Note 1 to the statutory basis financial statements, the statutory basis financial statements are prepared by the Company using accounting practices prescribed or permitted by the Connecticut Insurance Department, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Connecticut Insurance Department. As a result, the statutory basis financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Statutory Basis Financial Statements**

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

In preparing the statutory basis financial statements, management is required to evaluate 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 for one year after the date that the statutory basis financial statements are issued.

### **Auditor's Responsibilities for the Audit of the Statutory Basis Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

### **Report on Supplemental Schedules**

Our 2024 audit was conducted for the purpose of forming an opinion on the 2024 statutory basis financial statements as a whole. The supplemental schedule of investment risks interrogatories, the supplemental summary investment schedule, the supplemental summary of selected financial data-statutory basis and Medicaid supplemental schedule as of and for the year ended December 31, 2024, are presented for purposes of additional analysis and are not a required part of the 2024 statutory basis financial statements. These schedules are the responsibility of the Company's management and were

derived from and relate directly to the underlying accounting and other records used to prepare the statutory basis financial statements. Such schedules have been subjected to the auditing procedures applied in our audit of the 2024 statutory basis financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the statutory basis financial statements or to the statutory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules are fairly stated in all material respects in relation to the 2024 statutory basis financial statements as a whole.

**Restriction on Use**

Our report is intended solely for the information and use of the Audit Committee and the management of the Company and for filing with state insurance departments to whose jurisdiction the Company is subject and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche, LLP*

April 29, 2025

# UNITEDHEALTHCARE INSURANCE COMPANY

## STATUTORY BASIS STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND CAPITAL AND SURPLUS AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
<b>ADMITTED ASSETS</b>		
CASH AND INVESTED ASSETS:		
Bonds	\$ 9,022,757,356	\$ 9,199,712,502
Preferred stocks	21,540,974	20,475,878
Common stocks	2,607,380,364	3,172,345,656
Real estate	222,408,651	221,558,805
Cash of \$(350,007,470) and \$(741,966,905), cash equivalents of \$2,019,759,695 and \$2,026,026,894, and short-term investments of \$10,012,674 and \$4,059,738 in 2024 and 2023, respectively	1,679,764,899	1,288,119,727
Other invested assets	221,385,374	192,181,836
Receivables for securities	2,705,752	9,326,351
Subtotal cash and invested assets	13,777,943,370	14,103,720,755
OTHER ASSETS:		
Investment income due and accrued	72,155,109	63,716,704
Premiums and considerations	1,725,837,348	2,381,061,177
Reinsurance	567,470,700	586,145,685
Amounts receivable relating to uninsured plans	1,890,679,728	1,446,319,074
Net deferred tax asset	405,105,004	406,767,514
Health care and other amounts receivable	2,441,820,484	2,178,953,378
Affiliated note receivable	650,000,000	625,000,000
Other assets	90,009,359	80,031,677
Subtotal other assets	7,843,077,732	7,767,995,209
<b>TOTAL ADMITTED ASSETS</b>	<b>\$ 21,621,021,102</b>	<b>\$ 21,871,715,964</b>
<b>LIABILITIES, CAPITAL AND SURPLUS</b>		
LIABILITIES:		
Aggregate reserve for life, accident, and health contracts	\$ 3,031,253,637	\$ 2,653,930,401
Liability for deposit-type contracts	196,234,339	271,667,352
Contract claims for life, accident, and health	5,313,553,987	4,620,970,556
Premiums for life and accident and health contracts received in advance	566,735,646	302,846,494
Provision for experience rating refunds	1,973,004,210	2,980,578,953
Other amounts payable on reinsurance	555,218,168	561,435,293
Interest maintenance reserve	—	24,577,291
General expenses due or accrued	117,730,186	177,166,524
Taxes, licenses, and fees due or accrued, excluding federal income taxes	325,144,720	245,198,223
Current federal and foreign income taxes	175,346,193	246,247,538
Remittances and items not allocated	108,175,781	191,107,055
Asset valuation reserve	171,916,349	428,343,661
Payable to parent, subsidiaries, and affiliates	250,430,815	957,254,332
Liability for amounts held under uninsured plans	832,312,273	1,139,429,267
Funds held under coinsurance	206,979,757	198,100,983
Payable for securities	29,612,273	25,806,096
Other liabilities	588,714,741	220,110,371
Total liabilities	14,442,363,075	15,244,770,390
CAPITAL AND SURPLUS:		
Common capital stock, \$6,000 par value — 1,000 shares authorized; 500 shares issued and outstanding	3,000,000	3,000,000
Gross paid-in and contributed surplus	558,595,764	558,595,764
Unassigned funds (surplus)	6,617,062,263	6,065,349,810
Total capital and surplus	7,178,658,027	6,626,945,574
<b>TOTAL LIABILITIES, CAPITAL AND SURPLUS</b>	<b>\$ 21,621,021,102</b>	<b>\$ 21,871,715,964</b>

See notes to statutory basis financial statements.

**UNITEDHEALTHCARE INSURANCE COMPANY**

**STATUTORY BASIS STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>REVENUES:</b>		
Premiums for life and accident and health contracts	\$ 54,579,470,591	\$ 45,314,366,829
Net investment income	1,448,671,920	1,693,646,734
Commissions and expense allowances on reinsurance ceded	218,095,698	219,467,716
Miscellaneous income	1,555,641	7,806,502
	<u>56,247,793,850</u>	<u>47,235,287,781</u>
<b>BENEFITS AND EXPENSES:</b>		
Benefits under life and accident and health contracts	45,855,060,295	37,562,829,959
Commissions on premiums	1,110,470,859	987,236,517
General insurance expenses	4,320,794,614	4,379,070,791
Insurance taxes, licenses and fees, excluding federal income taxes	1,041,035,181	891,378,720
	<u>52,327,360,949</u>	<u>43,820,515,987</u>
NET GAIN FROM OPERATIONS BEFORE FEDERAL INCOME TAXES AND NET REALIZED CAPITAL GAINS OR (LOSSES)	3,920,432,901	3,414,771,794
FEDERAL AND FOREIGN INCOME TAXES INCURRED	<u>625,119,917</u>	<u>585,152,332</u>
NET GAIN FROM OPERATIONS AFTER FEDERAL INCOME TAXES AND BEFORE NET REALIZED CAPITAL GAINS OR (LOSSES)	3,295,312,984	2,829,619,462
NET REALIZED CAPITAL GAINS (LOSSES) (EXCLUDING GAINS (LOSSES) TRANSFERRED TO THE IMR OF \$(43,490,118) AND \$(4,045,396)) LESS CAPITAL GAINS TAX OF \$8,919,856 AND \$(888,083) IN 2024 AND 2023, RESPECTIVELY	<u>54,369,548</u>	<u>(4,052,219)</u>
NET INCOME (LOSS)	<u>\$ 3,349,682,532</u>	<u>\$ 2,825,567,243</u>

See notes to statutory basis financial statements.

**UNITEDHEALTHCARE INSURANCE COMPANY**

**STATUTORY BASIS STATEMENTS OF CHANGES IN CAPITAL AND SURPLUS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>Common Capital Stock</u>		<u>Gross Paid-In and Contributed Surplus</u>	<u>Unassigned Funds (Surplus)</u>	<u>Total Capital and Surplus</u>
	<u>Shares</u>	<u>Amount</u>			
BALANCE — January 1, 2023	500	\$ 3,000,000	\$ 558,595,764	\$ 5,875,494,197	\$ 6,437,089,961
Net Income or (loss)	—	—	—	2,825,567,243	2,825,567,243
Change in net unrealized capital gains (losses) less capital gains tax of \$1,785,781	—	—	—	(470,986,172)	(470,986,172)
Change in net deferred income tax	—	—	—	96,889,347	96,889,347
Change in nonadmitted assets	—	—	—	(126,765,774)	(126,765,774)
Change in liability for reinsurance in unauthorized companies	—	—	—	224,126	224,126
Change in asset valuation reserve	—	—	—	384,926,843	384,926,843
Cash dividends to parent	—	—	—	(2,520,000,000)	(2,520,000,000)
<b>BALANCE — December 31, 2023</b>	<b>500</b>	<b>3,000,000</b>	<b>558,595,764</b>	<b>6,065,349,810</b>	<b>6,626,945,574</b>
Net Income or (loss)	—	—	—	3,349,682,532	3,349,682,532
Change in net unrealized capital gains (losses) less capital gains tax of \$1,785,781	—	—	—	(444,486,292)	(444,486,292)
Change in net deferred income tax	—	—	—	8,227,714	8,227,714
Change in nonadmitted assets	—	—	—	(292,969,665)	(292,969,665)
Change in liability for reinsurance in unauthorized companies	—	—	—	(169,148)	(169,148)
Change in asset valuation reserve	—	—	—	256,427,312	256,427,312
Cash dividends to parent	—	—	—	(2,325,000,000)	(2,325,000,000)
<b>BALANCE — December 31, 2024</b>	<b>500</b>	<b>\$ 3,000,000</b>	<b>\$ 558,595,764</b>	<b>\$ 6,617,062,263</b>	<b>\$ 7,178,658,027</b>

See notes to statutory basis financial statements.

# UNITEDHEALTHCARE INSURANCE COMPANY

## STATUTORY BASIS STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATIONS:		
Premiums collected, net of reinsurance	\$ 54,685,960,189	\$ 44,730,891,079
Net investment income	1,523,832,534	1,729,471,929
Miscellaneous income	220,573,414	217,449,118
Subtotal	<u>56,430,366,137</u>	<u>46,677,812,126</u>
Benefit and loss related payments	(44,980,196,060)	(37,082,214,504)
Commissions and other expenses paid	(7,187,833,694)	(6,727,502,790)
Federal income taxes (paid) recovered, net	(695,808,192)	(567,896,698)
Subtotal	<u>(52,863,837,946)</u>	<u>(44,377,613,992)</u>
Net cash from operations	<u>3,566,528,191</u>	<u>2,300,198,134</u>
CASH FLOWS FROM INVESTMENTS:		
Proceeds from investments sold, matured or repaid:		
Bonds	5,169,357,203	2,059,982,139
Stocks	199,154,676	19,154,118
Other invested assets	26,940,610	602,087
Total investment proceeds	<u>5,395,452,489</u>	<u>2,079,738,344</u>
Cost of investments acquired:		
Bonds	(5,043,308,817)	(1,996,711,177)
Stocks	(11,123,254)	(19,267,976)
Real estate	(11,374,578)	—
Other invested assets	(87,234,785)	(87,166,081)
Total investments acquired	<u>(5,153,041,434)</u>	<u>(2,103,145,234)</u>
Net cash from investments	<u>242,411,055</u>	<u>(23,406,890)</u>
CASH FLOWS FROM FINANCING AND MISCELLANEOUS ACTIVITIES:		
Cash provided by (used in) net transfers from (to) affiliates	(916,653,935)	36,984,674
Dividends to stockholders	(2,325,000,000)	(2,520,000,000)
Other cash provided (applied)	(175,640,139)	95,452,297
Net cash from financing and miscellaneous activities	<u>(3,417,294,074)</u>	<u>(2,387,563,029)</u>
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS:		
NET CHANGE IN CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS	<u>391,645,172</u>	<u>(110,771,785)</u>
CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS — Beginning of year	<u>1,288,119,727</u>	<u>1,398,891,512</u>
CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS — End of year	<u>\$ 1,679,764,899</u>	<u>\$ 1,288,119,727</u>

See notes to statutory basis financial statements.

# UNITEDHEALTHCARE INSURANCE COMPANY

## NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

#### Organization and Operation

UnitedHealthcare Insurance Company (the “Company”), licensed as a life, accident, and health insurer, offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of UHIC Holdings, Inc. UHIC Holdings, Inc. is a wholly owned subsidiary of United HealthCare Services, Inc., a management corporation that provides services to the Company under the terms of a management agreement. United HealthCare Services, Inc. is a wholly owned subsidiary of UnitedHealth Group Incorporated. UnitedHealth Group Incorporated is a publicly held company trading on the New York Stock Exchange.

The Company, domiciled in the state of Connecticut, was incorporated on March 24, 1972, as a life, accident, and health insurer, and operations commenced in April 1972. The Company is licensed as a life, accident, and health insurer in all states and the District of Columbia, with the exception of New York, and primarily issues group accident and health insurance contracts to employers, government sponsored plans, and associations.

The Company offers comprehensive commercial products to individual and employer groups. Each contract outlines the coverage provided and renewal provisions. The Company also participates in the Affordable Care Act individual and small group exchange market in eight states and the District of Columbia. Effective January 1, 2024, the Company entered the Affordable Care Act individual exchange market in New Jersey.

The Company has a contract with the Office of Personnel Management to provide health care services to employees of the Federal government under the Federal Employee Health Benefit Plan. The contract has been renewed through December 31, 2025 and is subject to annual renewal provisions thereafter (See Note 24).

The Company serves as a plan sponsor offering Medicare Plans under contracts with the Centers for Medicare and Medicaid Services.

The Company has contracts with Texas Health and Human Services, the State of Hawaii Department of Human Services, the Massachusetts Department of Health and Human Services, the Indiana Family and Social Services Administration, the Rhode Island Department of Human Services, and, effective July 1, 2024, the New Mexico Health Care Authority to provide services to eligible beneficiaries.

The Company also serves as a plan sponsor offering a Medicare-Medicaid Plan under contracts with the Centers for Medicare and Medicaid Services and the Massachusetts Department of Health and Human Services. A Medicare-Medicaid Plan provides dually-eligible beneficiaries access to Medicare and Medicaid benefits under a single managed care organization through a three-way contract.

The Company offers health insurance products and services to members of a membership organization (the “Medicare Supplement Program”). In July 2024, the Company amended and restated its Medicare Supplement Program agreement. The amendments provide the Company the right to use a trade name and other intellectual property in marketing efforts for Medicare Supplement offerings.

#### A. Accounting Practices

The statutory basis financial statements (herein referred to as “financial statements”) are presented on the basis of accounting practices prescribed or permitted by the Connecticut Insurance Department.

The Connecticut Insurance Department recognizes only statutory accounting practices, prescribed or permitted by the state of Connecticut, for determining and reporting the financial condition and results of operations of a life, accident, and health insurer, for determining its solvency under Connecticut Insurance Law. The state of Connecticut prescribes the use of the National Association of Insurance Commissioners’ Accounting Practices and Procedures manual in effect for the accounting periods covered in the financial statements.

No significant differences exist between the practices prescribed or permitted by the state of Connecticut and the National Association of Insurance Commissioners' Accounting Practices and Procedures manual, also known as NAIC SAP, which materially affect the statutory basis net income (loss) and capital and surplus, as illustrated in the table below:

<b>Net Income (Loss)</b>	<b>SSAP #</b>	<b>AFS Line Desc</b>	<b>2024</b>	<b>2023</b>
(1) Company state basis	XXX	XXX	\$ 3,349,682,532	\$ 2,825,567,243
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable			—	—
(3) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable			—	—
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	<u>\$ 3,349,682,532</u>	<u>\$ 2,825,567,243</u>
<b>Capital and Surplus</b>				
(5) Company state basis	XXX	XXX	\$ 7,178,658,027	\$ 6,626,945,574
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable			—	—
(7) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable			—	—
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	<u>\$ 7,178,658,027</u>	<u>\$ 6,626,945,574</u>

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

The preparation of these financial statements in conformity with the National Association of Insurance Commissioners' Annual Statement Instructions and the National Association of Insurance Commissioners' Accounting Practices and Procedures manual include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to aggregate reserve for life contracts and aggregate reserve for accident and health contracts (including premium deficiency reserves (herein referred to as "aggregate reserves for life, accident, and health contracts"), contract claims – life, and contract claims – accident and health, (herein referred to as "contract claims for life, accident, and health"), benefits under life and accident and health insurance contracts, provision for experience rating refunds (including medical loss ratio rebates), risk corridor, and risk adjustment estimates. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income (loss) in the period in which the estimate is adjusted.

## **C. Accounting Policy**

**Basis of Presentation** — The Company prepares its financial statements on the basis of accounting practices prescribed or permitted by the Connecticut Insurance Department. These statutory practices differ from generally accepted accounting principles in the United States of America.

The Company has deemed the following to be significant differences between statutory practices and generally accepted accounting principles:

- Certain debt investments categorized as available-for-sale or held-to-maturity under generally accepted accounting principles are presented at the lower of book/adjusted carrying value or fair value in accordance with the National Association of Insurance Commissioners' designations in the financial statements, whereas under generally accepted accounting principles, these investments are shown at fair value or book/adjusted carrying value, respectively.
- Investments in unaffiliated preferred stocks are valued as prescribed by the Securities Valuation Office, or an external pricing service if National Association of Insurance Commissioners' values

are not available, in the financial statements, whereas under generally accepted accounting principles, unaffiliated preferred stocks are generally reported at fair value.

- Cash, cash equivalents, and short-term investments in the financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under generally accepted accounting principles, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date. The Company reported \$10,012,674 and \$4,059,738 short-term investments as of December 31, 2024 and 2023, respectively.
- Outstanding checks are required to be netted against cash balances in the financial statements, whereas under generally accepted accounting principles, outstanding checks are presented as other liabilities.
- The statutory basis statements of cash flows reconcile the corresponding captions of cash, cash equivalents, and short-term investments, which can include restricted cash reserves, with original maturities of one year or less from the time of acquisition, whereas under generally accepted accounting principles, the statements of cash flows reconcile the corresponding captions of cash, cash equivalents, and restricted cash with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of generally accepted accounting principles cash flows. In addition, there are classification differences within the presentation of the cash flow categories between generally accepted accounting principles and National Association of Insurance Commissioners' Accounting Practices and Procedures manual. The statutory basis statements of cash flows are prepared in accordance with the National Association of Insurance Commissioners' Annual Statement Instructions.
- The National Association of Insurance Commissioners' Accounting Practices and Procedures manual provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax basis of assets, subject to a valuation allowance and admissibility limitations on deferred tax assets, and tax basis of liabilities (see Note 9). In addition, under the National Association of Insurance Commissioners' Accounting Practices and Procedures manual, the net change in deferred tax assets and/or liabilities is recorded directly to unassigned funds (surplus) in the financial statements, whereas under generally accepted accounting principles, the net change in deferred tax assets and/or liabilities is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under the National Association of Insurance Commissioners' Accounting Practices and Procedures manual, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the financial statements, whereas under generally accepted accounting principles, such assets are included in the balance sheet.
- Reserves ceded to reinsurers for aggregate reserves for life, accident, and health contracts and contract claims for life, accident, and health have been reported as reductions of the related reserves rather than as assets, which would be required under generally accepted accounting principles.
- Certain assets, including certain aged premium receivables, certain health care and other amounts receivable, certain receivables from parent, subsidiaries and affiliates, certain deferred tax assets, prepaid expenses, and certain amounts receivable relating to uninsured plans are considered nonadmitted assets under the National Association of Insurance Commissioners' Accounting Practices and Procedures and are excluded from the financial statements and charged directly to unassigned funds (surplus).
- The change in unearned premium from year to year is recorded as an increase in aggregate reserves for life and accident and health contracts in the financial statements, whereas under generally accepted accounting principles, the change in unearned premium from year to year is reported through premium income.
- Premium receipts and benefits on life-type contracts are recorded as premiums for life and accident and health contracts and death benefits in the financial statements. Under generally accepted accounting principles, revenues on life-type contracts are comprised of contract charges and fees, which are recognized when assessed against the policyholder account balance. Additionally, premium receipts on life-type contracts are considered deposits and are

recorded as interest-bearing liabilities, while benefits are recognized as expenses in excess of the policyholder account balance.

- Comprehensive income and its components are not separately presented in the financial statements, whereas under generally accepted accounting principles, it is a requirement to present comprehensive income and its components in the financial statements.

Accounting policy disclosures that are required by the National Association of Insurance Commissioners' Annual Statement instructions are as follows:

- (1–2)** Bonds and short-term investments are stated at book/adjusted carrying value if they meet National Association of Insurance Commissioners' designation of one through five and stated at the lower of book/adjusted carrying value or fair value if they meet National Association of Insurance Commissioners' designation of six. The Company does not have any mandatory convertible securities or Securities Valuation Office of the National Association of Insurance Commissioners' identified funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. Amortization of bond premium or accretion of discount is calculated using the constant yield interest method. Bonds and short-term investments are valued and reported using market prices published by the Securities Valuation Office in accordance with the National Association of Insurance Commissioners' Valuation of Securities manual prepared by the Securities Valuation Office or an external pricing service;
- (3–4)** Common and preferred stocks include affiliated common stocks, which are carried at the underlying statutory equity value for insurance and health plan affiliates. As of December 31, 2023, the Company also held non-affiliated common stocks which were valued and reported using market prices published by the Securities Valuation Office in accordance with the National Association of Insurance Commissioners' Valuations of Securities manual prepared by the Securities Valuation Office or an external pricing service. As of December 31, 2024, the Company did not hold non-affiliated common stocks. Changes in value of affiliated common stocks are recorded as a change in unassigned funds (surplus). Preferred stocks are nonaffiliated and have a carrying value that is calculated in accordance with the guidance set forth in Statement of Statutory Accounting Principles No. 32, *Preferred Stock*;
- (5)** The Company holds no mortgage loans on real estate;
- (6)** U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;
- (7)** The Company owns 100% of Oxford Health Insurance, Inc. ("OHI"), UnitedHealthcare Insurance Company of New York ("UHIC NY"), UnitedHealthcare Insurance Company of Illinois ("UHIC IL"), UnitedHealthcare of New Mexico, Inc. ("UHC NM") and Unimerica Life Insurance Company of New York ("ULIC NY"). These are accounted for under the statutory equity method and are included in common stocks in the financial statements, whereas under generally accepted accounting principles, this investment would be consolidated;
- (8)** The Company has investment interests with respect to joint ventures, partnerships, or limited liability companies;
- (9)** The Company holds no derivatives;
- (10)** Premium deficiency reserves (inclusive of conversion reserves) and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses included in general insurance expenses, direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate reserve for life, accident and health contracts in the financial statements. Indirect administration costs arise from activities that are not specifically identifiable

to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, claims adjustment expenses and direct administration costs are considered. The data and assumptions underlying such estimates and the resulting reserves are periodically updated, and any adjustments are reflected as an increase in aggregate reserve for life, accident and health contracts in the financial statements in the period in which the change in estimate is identified. The Company does anticipate investment income as a factor in the premium deficiency reserves calculation (see Note 30);

- (11) Claims adjustment expenses included in general insurance expenses, are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to its affiliate, United HealthCare Services, Inc., in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and United HealthCare Services, Inc. is performed to determine the amount of claims adjustment expenses included in general insurance expenses to be reported in the financial statements. It is the responsibility of United HealthCare Services, Inc. to pay claims adjustment expenses in the event the Company ceases operations. The Company has recorded an estimate of unpaid claims adjustment expenses associated with incurred but unpaid claims, which is included in general expenses due or accrued in the financial statements. Management believes the amount of the liability for unpaid claims adjustment expenses as of December 31, 2024 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid claims adjustment expenses, included as a component of general expenses due or accrued are reflected in operating results in the period in which the change in estimate is identified;
- (12) Maintenance and repairs that do not improve or extend the life of the respective assets are expensed in the period incurred and included in general insurance expenses in the financial statements. The Company has not modified its capitalization policy from the prior period.

Effective June 30, 2024, the lease between the Company and an affiliate was terminated to allow the Company to lease the space to a third party. This property is now considered as property held for the production of income. Property occupied by the Company and property held for the production of income are herein referred to as real estate.

### **Real Estate**

Real estate is carried at depreciated cost unless events or circumstances indicate the carrying amount of the asset may not be recoverable. Appraisal for properties classified as held for the production of income are no more than 5 years old as of the reporting date. An impairment loss is recognized if the individual carrying amounts exceed the fair value. The new cost basis shall not be changed for subsequent recoveries in fair value. The Company did not recognize any impairment losses on real estate in 2024 and 2023. The Company calculates depreciation using the straight-line method over the estimated useful life of the property, excluding land, which is 35-40 years. Depreciation expense for real estate of \$10,524,732 and \$8,823,272 in 2024 and 2023, respectively, is netted against net investment income in the financial statements. The Company has recorded rental income for real estate in the amount of \$19,986,506 and \$21,011,361 in 2024 and 2023, respectively, which is included in net investment income in the financial statements.

The components of real estate at December 31, 2024 and 2023, are as follows:

	2024	2023
<b>Real Estate</b>		
Land, buildings, and improvements	\$ 313,438,070	\$ 313,438,070
Plus: additional investment made after acquisition	11,374,578	—
Less: accumulated depreciation	<u>(102,403,997)</u>	<u>(91,879,265)</u>
Real estate	222,408,651	221,558,805
Less: nonadmitted land, buildings, and improvements	<u>—</u>	<u>—</u>
Net admitted real estate	<u>\$ 222,408,651</u>	<u>\$ 221,558,805</u>

- (13) Health care and other amounts receivable consist of pharmacy rebates receivable estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. Health care and other amounts receivable also include receivables for amounts due to the Company for claim overpayments to providers, hospitals and other health care organizations. Health care and other amounts receivable are considered nonadmitted assets under the National Association of Insurance Commissioners' Accounting Practices and Procedures manual if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the financial statements (see Note 28).

The Company has also deemed the following to be significant accounting policies:

## **ASSETS**

### ***Cash and Invested Assets***

- Bonds include securities with a maturity of greater than one year at the time of purchase;
- Cash represents cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;
- Cash equivalents include securities that have original maturity dates of three months or less from the date of acquisition. Cash equivalents also consist of the Company's share of a qualified cash pool sponsored and administered by United HealthCare Services, Inc. The investment pool is recorded at cost or book/adjusted carrying value depending on the composition of the underlying securities. Interest income from the pool accrues daily to participating members based upon ownership percentage. Cash equivalents, excluding money-market funds, are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or net asset value as a practical expedient;
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses, except for those transferred to the Interest Maintenance Reserve, are reported as net realized capital gains (losses) (excluding gains (losses) transferred to the Interest Maintenance Reserve) less capital gains tax in the financial statements. Transfers to the Interest Maintenance Reserve are net of federal income tax;

- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains (losses) (excluding gains (losses) transferred to the Interest Maintenance Reserve) less capital gains tax, in the financial statements. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition (see Note 5).

### **Other Assets**

- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members, groups, the Centers for Medicare and Medicaid Services, and state Medicaid agencies as premiums and considerations in the financial statements. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential. Premiums and considerations also include amounts for commercial risk adjustment receivables as defined in Section 1343 of the Affordable Care Act, the Centers for Medicare and Medicaid Services risk corridor receivables, the Centers for Medicare and Medicaid Services risk adjustment receivables for the Medicare Plans, and the Indiana Family and Social Services Administration risk corridor receivables.

Premium adjustments for the Centers for Medicare and Medicaid Services risk corridor and Indiana Family and Social Services Administration risk corridor programs are accounted for as premium adjustments subject to retrospectively rated features (see Note 24). Premium adjustments for the commercial Affordable Care Act Section 1343 risk adjustment and the Centers for Medicare and Medicaid Services risk adjustment programs are accounted for as premium adjustments subject to redetermination (see Note 24).

- **Amounts Receivable Relating to Uninsured Plans** — The Company reports amounts due to the Company from the Centers for Medicare and Medicaid Services, state Medicaid agencies, and groups for the administrative activities it performs for which it has no insurance risk as amounts receivable relating to uninsured plans (see Note 18). Amounts receivable relating to uninsured plans include costs incurred by the Company that are in excess of the cost reimbursement under the Medicare Plans for the catastrophic reinsurance subsidy and the low-income member cost sharing subsidy and amounts due from the pharmaceutical manufacturers for reimbursement of the discounts under the Patient Protection and Affordable Care Act and its related legislation which mandates consumer discounts on brand name prescription drugs for Part D plan participants in the coverage gap. Amounts receivable relating to uninsured plans also includes monies advanced by the Company under the aggregate cash flow option to groups that have opted to participate in the partial self-funded plan, receivables from select groups that offer their retirees Medicare coverage for which the Company administers the Medicare Part D claim payments on behalf of these groups, and pharmacy rebate receivables for partially self-funded plans.

**Affiliated Note Receivable** — The Company has a subordinated revolving credit agreement with an affiliate, United HealthCare Services, Inc., where United HealthCare Services, Inc. can borrow money on a short-term basis from the Company (see Note 10). Pursuant to Statement of Statutory Accounting Principles No. 25, *Affiliates and Other Related Parties*, the Company has admitted the loan which is reported in affiliated note receivable in the financial statements.

## **LIABILITIES**

- **Aggregate Reserves and Contract Claims for Life, Accident, and Health Contracts** — The reserves for disability, accidental death, and life insurance are developed by actuarial methods and are determined based on published or established tables, using interest rates less than or equal to statutorily prescribed interest rates, and valuation methods that will provide, in the aggregate, reserves that are greater than or equal to the minimum or guaranteed cash values or the amounts required by the Connecticut Insurance Department. Tabular interest, tabular less actual reserve released, tabular cost, and tabular interest on funds not involving life contingencies are determined by a formula in accordance with the state of Connecticut statutes. Contract claims reserves include claims processed but not yet paid, estimates for claims received but not yet processed, and estimates for the costs of health care services enrollees have received, but for which claims have not yet been submitted.

The estimates for aggregate reserves and incurred but not reported contract claims are developed using actuarial methods based upon historical data for payment patterns, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during the years ended December 31, 2024 and 2023. Management believes the amount of aggregate reserves for life, accident, and health contracts is the best estimate of the Company's liability of aggregate reserves for life, accident, and health contracts as of December 31, 2024; however, actual payments may differ from those established estimates. Adjustments to estimates for aggregate reserves for life, accident, and health contracts are reflected in operating results in the period in which the change in estimate is identified.

Aggregate reserves and contract claims for life, accident, and health contracts also include the unexpired portion of accident and health insurance premiums received (unearned premiums) and agreements the Company has with certain provider groups that provide for the establishment of a pool which includes monthly premiums payable and the disbursement of funds for medical services. Any surplus in the pool is shared by the Company and the provider group based upon a predetermined risk-sharing percentages, and incentive and bonus arrangements with providers that are based on quality, utilization, and/or various health outcome measures. Additionally, aggregate reserves and contract claims for life, accident, and health contracts include commercial risk adjustment payables as defined in Section 1343 of the Affordable Care Act (see Note 24) and the estimated amount for premium deficiency reserves (see Note 30).

- **Provision for Experience Rating Refunds** — The Company establishes a liability, net of ceded reinsurance, for estimated accrued retrospective and redetermination premiums due from the Company based on the actuarial method and assumptions for each respective contract. Provision for experience rating refunds also includes estimated medical loss ratio rebates payable and risk corridor payables due to state Medicaid agencies.

Additionally, the Company maintains a rate stabilization fund ("RSF") for the Medicare Supplement Program to, among other things, help maximize premium rate stability and protect the interests of the covered members. The Medicare Supplement Program experience is subject to a retrospective rating feature such that any deficits are charged to the RSF. The RSF is reported as a provision for experience rating refunds in the financial statements (see Note 24).

Premium adjustments for the estimated medical loss ratio rebates, Medicaid risk corridor programs, and RSF are accounted for as premium adjustments subject to retrospectively rated features (see Note 24).

- **Payable to Parent, Subsidiaries, and Affiliates** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as payable to parent, subsidiaries, and affiliates in the financial statements.

- **Liability for Amounts Held Under Uninsured Plans** — Liability for amounts held under uninsured plans represents amounts due from the Company to the Centers for Medicare and Medicaid Services, state Medicaid agencies, and groups for the administrative activities it performs for which it has no insurance risk (see Note 18). Liability for amounts held under uninsured plans includes a liability for the amounts subject to recoupment under the Affordable Care Act coverage gap discount program, and amounts held by the Company to fund claims related to partial self-funded plans.

## **CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS**

- **Restricted Cash Reserves** — The Company is in compliance with the various states regulatory deposit requirements as of December 31, 2024 and 2023, respectively, for qualification purposes as a domestic and foreign insurer. These restricted cash reserves are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds, cash, and short-term investments in the financial statements. Interest earned on these deposits accrues to the Company (see Note 5).
- **Minimum Capital and Surplus** — Under the laws of the state of Connecticut, the Company's domiciliary state, the Connecticut Insurance Department requires the Company to maintain a minimum capital and surplus equal to \$3,000,000.

Risk-based capital is a regulatory tool for measuring the minimum amount of capital appropriate for a life, accident, and health insurer to support its overall business operations in consideration of its size and risk profile. The Connecticut Insurance Department requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the risk-based capital formula, or the level needed to avoid action pursuant to the trend test in the risk-based capital formula.

The Company has committed to the Connecticut Insurance Department that it will maintain a risk-based capital ratio of no less than 300%.

The Company is also subject to minimum capital and surplus requirements in other states where it is licensed to do business.

The Company is in compliance with the minimum required capital and surplus amounts where it is licensed to do business, as of December 31, 2024 and 2023.

## **STATEMENTS OF OPERATIONS**

- **Premiums for Life and Accident and Health Contracts** — Premiums for life and accident and health contracts are recognized in the period in which enrollees are entitled to receive services and are shown net of reinsurance premiums paid and reinsurance premiums incurred but not paid in the financial statements. The corresponding change in unearned premium from year to year is reflected as a component of the increase in aggregate reserve for life, accident and health contracts in the financial statements.

Comprehensive commercial health plans with medical loss ratios on fully insured products, as calculated under the definitions in the Affordable Care Act and implementing regulations, that fall below certain targets are required to rebate ratable portions of premiums annually. The Company has also recorded receivables/payables from employer groups for estimated retrospective premium adjustments due to (from) the Company based on the underlying contractual terms. The Company classifies changes to the estimated rebates and retrospective premium adjustments as premiums for life and accident and health contracts in the financial statements (see Note 24). In addition, pursuant to Section 1343 of the Affordable Care Act, the Company records premium adjustments for changes to the commercial risk adjustment balances which are reflected in premiums for life and accident and health contracts in the financial statements (see Note 24).

Medicare Plans with medical loss ratios on fully insured products, as calculated under the definitions in the Affordable Care Act and implementing regulations, that fall below certain targets are required to rebate ratable portions of premiums annually. In addition, the Company records premium adjustments for changes to the Centers for Medicare and Medicaid Services Medicare Plans risk corridor program. The Company has also recorded receivables/payables from employer groups that offer the Medicare Plans to its retiree population and Medicare Supplement Program for estimated retrospective premium adjustments due to (from) the Company based on the underlying contractual terms. Changes to these estimates are reflected in premiums for life and accident and health contracts in the financial statements (see Note 24). Premiums for life and accident and health contracts also includes premiums under the Medicare Plans which includes the Centers for Medicare and Medicaid Services premiums, including amounts pursuant to the Centers for Medicare and Medicaid Services risk adjustment program (see Note 24), member premiums, and the Centers for Medicare and Medicaid Services low-income premium subsidy for the Company's insurance risk coverage.

The Medicaid plans are subject to experience rated rebates, including medical loss ratios and risk corridor programs, risk adjustment programs, and performance guarantees based on various utilization measures. The Company records premium adjustments for the changes to the estimates for experience rated rebates and risk corridor programs which are reflected in premiums for life and accident and health contracts and for the risk adjustment program and performance guarantees which are reflected in premiums for life and accident and health contracts in the financial statements (see Note 24). Premiums for life and accident and health contracts also includes amounts paid by state and federal governments on a per member basis in exchange for the provision and administration of medical benefits under the Medicaid and Children's Health Insurance Program, home nursing risk-sharing payments, high-dollar risk pool payments, and maternity payments. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity payments. Maternity income is billed on contractual rates and recognized as income as each birth case is identified by the Company.

Premiums for life and accident and health contracts also includes amounts paid jointly by the Massachusetts Department of Health and Human Services and Centers for Medicare and Medicaid Services for the Medicare Plans program elements for members enrolled in the Medicare-Medicaid plan. Premiums for life and accident and health contracts is recognized ratably over the period in which eligible individuals are entitled to receive health care services.

- **General Insurance Expenses** — General expenses that have been paid as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general insurance expenses. Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to United HealthCare Services, Inc. in exchange for administrative and management services. Costs for items not included within the scope of the management agreement are directly expensed as incurred. A detailed review of the administrative expenses of the Company and United HealthCare Services, Inc. is performed to determine the amount of claims adjustment expenses, included in general insurance expenses.

Administrative fee revenues consist primarily of fees derived from services performed for customers that self-insure the health care costs of their employees and employees' dependents. Under these contracts, the Company recognizes revenue in the period in which the related services are performed. The customers retain the risk of financing health care costs for their employees and employees' dependents, and the Company administers the payment of customer funds to physicians and other health care professionals from customer-funded bank accounts. As the Company has neither the obligation for funding the health care costs, nor the primary responsibility for providing the medical care, the Company does not recognize premiums for life and accident and health contracts and benefits under life and accident and health contracts for these contracts. Administrative fee revenue and related expenses are netted against general insurance expenses in the financial statements (see Note 18).

- **Net Investment Income** — Net investment income includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income (see Note 7).

Under Statement of Statutory Accounting Principles No. 97 — *Investments in Subsidiary, Controlled, and Affiliated Entities* Investments in Subsidiary, Controlled, and Affiliated Entities (“SSAP No. 97”), dividends or distributions received from an investee are recognized in net investment income when declared to the extent that they are not in excess of the undistributed accumulated earnings attributable to the investee. The dividends or distributions are recorded as a return of capital if the amount exceeds the undistributed accumulated earnings attributable to the investee. Dividends received from subsidiary investees during 2024 and 2023 were \$949,000,000 and \$1,229,600,000, respectively. The Company has recorded its dividends or distributions in accordance with SSAP No. 97 (see Note 10). These dividends qualify for tax-free treatment as a result of the federal dividends received deduction.

- **Benefits under Life and Accident and Health Contracts** — Death benefits and increase in aggregate reserve for life and accident and health contracts includes life claims paid, life claims processed but not yet paid, estimates for life claims received but not yet processed, estimates for life claims where the death has occurred but for which a claim has not been submitted and changes in contract and policy reserves. Benefits under accident and health contracts and increase in aggregate reserve for accident and health contracts include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, payments for other medical costs disputes, estimates for payments not yet due on incurred claims and changes in contract and policy reserves.
- **Commissions on Premiums** — Commissions on premiums represent commission expense for external brokers and agents. Expense is recorded when incurred based upon the contract period.
- **Insurance Taxes, Licenses and Fees, Excluding Federal Income Taxes** — Insurance taxes, licenses and fees, excluding federal income taxes, represents taxes, licenses, and fees that have been paid as of the reporting date in addition to taxes, licenses, and fees that have been incurred but are not due until a subsequent period.

## **REINSURANCE**

**Reinsurance Ceded** — In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding premium to other insurance enterprises or reinsurers under excess coverage contracts or specific transfer of risk agreements. The Company remains primarily liable as the direct insurer on the risks reinsured (see Note 23).

The Company has a quota-share reinsurance agreement with Canada Life Assurance Company, under which the Company cedes 20% of the premiums earned and claims paid related to the reinsured policies (see Note 23). In addition, 20% of the statutory reserves on the reinsured policies as of the effective date, and subsequent changes in those reserves, are ceded to Canada Life Assurance Company on a funds withheld basis. The agreement also provides for an expense allowance and has an experience refund provision.

- **Reinsurance Assumed** — In the normal course of business, the Company enters into various reinsurance agreements with affiliates and nonaffiliates to assume reinsurance, primarily related to its health products. Reinsurance assumed from nonaffiliates primarily serves to expand the book of business and enhance business relations. Reinsurance assumed from affiliates limits or reduces the risk to affiliates (see Note 23).

## **OTHER**

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company’s existing products in new markets and offerings of new products, both of which may restrict the Company’s ability to expand its business. The business is subject to normal claims fluctuations and environmental issues.

The Company has one customer that accounted for 22% and 25% of total direct premiums for life and accident and health contracts, for the years ended December 31, 2024 and 2023, respectively. The Company has one customer that accounted for 15% and 46% of uncollected premiums, including receivables for contracts subject to redetermination, as of December 31, 2024 and 2023, respectively.

Direct premiums for life and accident and health contracts and uncollected premiums, including receivables for contracts subject to redetermination, from members and the Centers for Medicare and Medicaid Services related to the Medicare Plans as a percentage of total direct premiums for life and accident and health contracts and total uncollected premiums, including receivables for contracts subject to redetermination, are 13% and 15% as of December 31, 2024 and 10% and 6% as of December 31, 2023, respectively.

No individual state Medicaid contract accounted for more than 3% of total direct premiums for life and accident and health contracts as of both December 31, 2024 and December 31, 2023.

### **Recently Issued Accounting Standards**

In May 2024, the National Association of Insurance Commissioners revised Statement of Statutory Accounting Principles No. 107, *Risk-Sharing Provisions of the Affordable Care Act* to remove the federal Affordable Care Act disclosure on the transitional reinsurance program and the risk corridor program (see Note 24), effective for annual 2024. The Company chose to early adopt the revision during quarter 2 of 2024.

The Company reviewed all other recently issued guidance in 2024 and 2023 that has been adopted for 2024 or subsequent years' implementation and has determined that none of the items would have a significant impact to the financial statements.

#### **D. Going Concern**

The Company has the ability and will continue to operate for a period of time sufficient to carry out its commitments, obligations and business objectives.

## **2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

No changes in accounting principles or corrections of errors have been recorded during the years ended December 31, 2024 and 2023.

## **3. BUSINESS COMBINATIONS AND GOODWILL**

**A–E.** The Company was not party to a business combination during the years ended December 31, 2024 and 2023, and does not carry goodwill in its financial statements.

## **4. DISCONTINUED OPERATIONS**

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

**(1–4)** The Company did not have any discontinued operations disposed of or classified as held for sale during 2024 and 2023.

### **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

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were \$136,952,366 and \$117,348,587, respectively, for 2024 and \$30,145,627 and \$32,211,864, respectively, for 2023. The gross realized gains and losses on sales of short-term investments were \$0 and \$0 for 2024 and \$0 and \$9,400, respectively, for 2023. The net realized gains and losses are included in net realized capital gains (losses) (excluding gains (losses) transferred to the Interest Maintenance Reserve) less capital gains tax in the financial statements. Total proceeds on the sale of long-term investments were \$3,743,399,176 and \$1,081,712,016 and for short-term investments were \$0 and \$5,422,473 in 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the book/adjusted carrying value, fair value, and gross unrecognized unrealized gains and losses of the Company's investments, excluding cash and cash equivalents of \$1,669,752,225 and \$1,284,059,989 respectively, are disclosed in the table below:

	2024				
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	Fair Value
U.S. government and agency securities	\$ 2,179,355,443	\$ 95,165	\$ 59,532,761	\$ 105,231,110	\$ 2,014,686,737
State and agency municipal securities	569,093,732	22,974	4,384,998	27,001,238	537,730,470
City and county municipal securities	721,142,692	129,448	4,899,146	34,860,386	681,512,608
Corporate debt securities	5,563,178,163	29,596,717	43,006,175	205,660,769	5,344,107,936
Other invested assets	221,385,374	—	—	—	221,385,374
Preferred stocks	21,540,974	—	55,717	179,480	21,305,777
Total bonds, short-term investments, preferred stocks, and other invested assets	<u>\$ 9,275,696,378</u>	<u>\$ 29,844,304</u>	<u>\$ 111,878,797</u>	<u>\$ 372,932,983</u>	<u>\$ 8,820,728,902</u>

	2024				
	Cost Basis	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	Fair Value <sup>(1)</sup>
Investment in subsidiaries	\$ 1,181,357,446	\$ 1,426,022,918	\$ —	\$ —	\$ 2,607,380,364
Common stocks	<u>\$ 1,181,357,446</u>	<u>\$ 1,426,022,918</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,607,380,364</u>

<sup>(1)</sup> Investments in subsidiaries are reported using statutory equity

	2024				
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	Fair Value
Less than one year	\$ 375,203,249	\$ 4,003,656	\$ 582,941	\$ 1,924,890	\$ 376,699,074
One to five years	2,681,581,306	13,732,012	16,862,771	60,007,750	2,618,442,797
Five to ten years	2,637,176,831	7,835,594	35,159,892	107,644,353	2,502,208,180
Over ten years	3,581,734,992	4,273,042	59,273,193	203,355,990	3,323,378,851
Total bonds, short-term investments, preferred stocks, and other invested assets	<u>\$ 9,275,696,378</u>	<u>\$ 29,844,304</u>	<u>\$ 111,878,797</u>	<u>\$ 372,932,983</u>	<u>\$ 8,820,728,902</u>

	<b>2023</b>				
	<b>Book/Adjusted Carrying Value</b>	<b>Gross Unrecognized Unrealized Gains</b>	<b>Gross Unrecognized Unrealized Losses &lt; 1 Year</b>	<b>Gross Unrecognized Unrealized Losses &gt; 1 Year</b>	<b>Fair Value</b>
U.S. government and agency securities	\$ 2,213,804,991	\$ 4,394,115	\$ 2,332,587	\$ 182,730,772	\$ 2,033,135,747
State and agency municipal securities	651,696,946	2,581,004	385,482	25,825,917	628,066,551
City and county municipal securities	723,736,338	2,973,838	565,889	31,679,231	694,465,056
Corporate debt securities	5,614,533,965	42,291,206	7,640,486	290,231,054	5,358,953,631
Other invested assets	192,181,836	—	—	—	192,181,836
Preferred stocks	20,475,878	—	24,563	128,861	20,322,454
<b>Total bonds, short-term investments, preferred stocks, and other invested assets</b>	<b>\$ 9,416,429,954</b>	<b>\$ 52,240,163</b>	<b>\$ 10,949,007</b>	<b>\$ 530,595,835</b>	<b>\$ 8,927,125,275</b>

	<b>2023</b>				
	<b>Cost Basis</b>	<b>Gross Unrecognized Unrealized Gains</b>	<b>Gross Unrecognized Unrealized Losses &lt; 1 Year</b>	<b>Gross Unrecognized Unrealized Losses &gt; 1 Year</b>	<b>Fair Value <sup>(1)</sup></b>
Investment in subsidiaries	\$ 1,181,357,446	\$ 1,811,233,203	\$ —	\$ —	\$ 2,992,590,649
Unaffiliated common stocks	123,854,545	57,602,218	133,688	1,568,068	179,755,007
<b>Common stocks</b>	<b>\$ 1,305,211,991</b>	<b>\$ 1,868,835,421</b>	<b>\$ 133,688</b>	<b>\$ 1,568,068</b>	<b>\$ 3,172,345,656</b>

<sup>(1)</sup> Investments in subsidiaries are reported using statutory equity

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at a book/adjusted carrying value of \$3,139,094,267 and fair value of \$2,975,866,017.

Common stocks include statutory operations of the Company's insurance subsidiaries, OHI, UHIC NY, UHIC IL, UHC NM, and ULIC NY, as reported in their respective annual statements for the years ended December 31, 2024 and 2023. A combined summary is as follows:

	<b>2024</b>	<b>2023</b>
Admitted assets	\$ 5,180,599,269	\$ 5,118,967,424
Total liabilities	2,573,218,905	2,126,376,775
Capital and surplus	2,607,380,364	2,992,590,649
Net income	599,211,150	744,405,358

The following table illustrates the fair value and gross unrecognized unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrecognized unrealized loss position as of December 31, 2024 and 2023:

	2024					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	\$ 1,322,017,240	\$ 59,532,761	\$ 635,882,385	\$ 105,231,110	\$ 1,957,899,625	\$ 164,763,871
State and agency municipal securities	198,018,189	4,384,998	331,660,796	27,001,238	529,678,985	31,386,236
City and county municipal securities	220,439,274	4,899,146	401,565,341	34,860,386	622,004,615	39,759,532
Corporate debt securities	1,455,444,015	43,006,175	2,337,643,223	205,660,769	3,793,087,238	248,666,944
Preferred stocks	8,302,955	55,717	13,002,822	179,480	21,305,777	235,197
Total bonds, short-term investments, and preferred stocks	<u>\$ 3,204,221,673</u>	<u>\$ 111,878,797</u>	<u>\$ 3,719,754,567</u>	<u>\$ 372,932,983</u>	<u>\$ 6,923,976,240</u>	<u>\$ 484,811,780</u>

  

	2023					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	\$ 234,520,660	\$ 2,332,587	\$ 1,456,327,063	\$ 182,730,772	\$ 1,690,847,723	\$ 185,063,359
State and agency municipal securities	100,138,361	385,482	351,510,334	25,825,917	451,648,695	26,211,399
City and county municipal securities	100,289,647	565,889	387,005,796	31,679,231	487,295,443	32,245,120
Corporate debt securities	292,267,614	7,640,486	3,464,156,319	290,231,054	3,756,423,933	297,871,540
Preferred stocks	6,504,055	24,563	13,818,400	128,861	20,322,455	153,424
Total bonds, short-term investments, and preferred stocks	<u>\$ 733,720,337</u>	<u>\$ 10,949,007</u>	<u>\$ 5,672,817,912</u>	<u>\$ 530,595,835</u>	<u>\$ 6,406,538,249</u>	<u>\$ 541,544,842</u>

The unrecognized unrealized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at December 31, 2024 and 2023, were mainly caused by interest rate fluctuations and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company assessed the credit quality of the state and agency municipal securities, city and county municipal securities and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an other-than-temporary impairment, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company recorded an other-than-temporary impairment of \$471,886 and \$6,954,919 as of December 31, 2024 and 2023, respectively, which are included in net realized capital gains (losses) (excluding gains (losses) transferred to the Interest Maintenance Reserve) less capital gains tax in the financial statements.

Net realized capital gains (losses) (excluding gains (losses) transferred to the Interest Maintenance Reserve) less capital gains tax in the financial statements as of December 31, 2024 and 2023, are as follows:

	2024	2023
Realized capital losses—net of related taxes of \$(213,069) and \$(1,737,616) in 2024 and 2023, respectively	\$ 20,012,355	\$ (7,248,082)
Less amount transferred to IMR—net of related taxes of \$(9,132,925) and \$(849,533) in 2024 and 2023, respectively	<u>34,357,193</u>	<u>3,195,863</u>
Net realized capital gains (losses) — net of tax and amounts transferred to IMR	<u>\$ 54,369,548</u>	<u>\$ (4,052,219)</u>

**A–C.** The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property held for sale. The Company has not recognized any impairment losses on real estate property occupied by the Company or real estate property held for the production of income as of December 31, 2024 and 2023.

**D. Loan-Backed Securities**

- (1) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.

- (2) As of December 31, 2024, the Company has classified loan-backed securities that have other-than-temporary impairments as intent to sell. For the remaining loan-backed securities, the Company has the intent and ability to retain the investment in the security for a period of time sufficient to recover the amortized cost basis and determined that the present value of cash flows to be collected is equal to or exceeds the amortized cost basis of the security, as of December 31, 2024. The table below illustrates the aggregate other-than-temporary impairments recognized on loan-backed securities classified on the basis for the other-than-temporary impairments during 2024:

	1	2		3
	Amortized Cost Basis Before Other than Temporary Impairment	Other-than-Temporary Impairment Recognized in Loss		Fair Value 1-2
		(2a) Interest	(2b) Non-interest	
<b>OTTI Recognized 1st Quarter</b>				
a. Intent to sell	\$ 1,818,835	\$ —	\$ 7,355	\$ 1,811,480
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—	—
c. Total 1st Quarter	<u>\$ 1,818,835</u>	<u>\$ —</u>	<u>\$ 7,355</u>	<u>\$ 1,811,480</u>
<b>OTTI Recognized 2nd Quarter</b>				
d. Intent to sell	\$ 4,348,976	\$ —	\$ 242,896	\$ 4,106,080
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—	—
f. Total 2nd Quarter	<u>\$ 4,348,976</u>	<u>\$ —</u>	<u>\$ 242,896</u>	<u>\$ 4,106,080</u>
<b>OTTI Recognized 3rd Quarter</b>				
g. Intent to sell	\$ —	\$ —	\$ —	\$ —
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—	—
i. Total 3rd Quarter	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<b>OTTI Recognized 4th Quarter</b>				
j. Intent to sell	\$ —	\$ —	\$ —	\$ —
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—	—
l. Total 4th Quarter	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
m. Annual aggregate total		<u>\$ —</u>	<u>\$ 250,251</u>	

The Company did not recognize any other-than-temporary impairments on loan-backed securities due to an inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis, or where the present value of cash flows expected to be collected is less than the amortized cost basis of the security, as of December 31, 2024.

(3) The table below represents the loan-backed securities with an other-than-temporary impairment for the years ended December 31, 2024 and 2023, presented by CUSIP:

<b>2024</b>						
1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-than-Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
05551JAA8	\$ 1,818,835	\$ 1,811,480	\$ 7,355	\$ 1,811,480	\$ 1,811,480	3/31/2024
12430YAA8	2,500,000	2,384,300	115,700	2,384,300	2,384,300	6/30/2024
05551JAA8	1,848,976	1,721,780	127,196	1,721,780	1,721,780	6/30/2024
Total	XXX	XXX	\$ 250,251	XXX	XXX	XXX
<b>2023</b>						
1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-than-Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
36167RAA1	\$ 1,180,000	\$ 1,080,951	\$ 99,049	\$ 1,080,951	\$ 1,080,951	3/31/2023
12625XAA5	300,662	273,750	26,912	273,750	273,750	6/30/2023
12625XAA5	2,986,709	2,719,250	267,459	2,719,250	2,719,250	6/30/2023
08181LAU1	1,905,000	1,889,025	15,975	1,889,025	1,889,025	9/30/2023
50190AAK8	2,905,000	2,888,745	16,255	2,888,745	2,888,745	9/30/2023
92915PAH8	2,112,100	2,102,948	9,152	2,102,948	2,102,948	9/30/2023
55820YAA5	3,592,661	3,581,760	10,902	3,581,760	3,581,760	9/30/2023
14311XAA0	1,490,176	1,485,040	5,136	1,485,040	1,485,040	9/30/2023
87167GAA8	2,006,618	1,993,545	13,073	1,993,545	1,993,545	9/30/2023
05551JAA8	2,137,763	1,782,868	354,895	1,782,868	1,782,868	12/31/2023
Total	XXX	XXX	\$ 818,808	XXX	XXX	XXX

- (4) The following table illustrates the fair value, gross unrecognized unrealized losses, and length of time that the loan-backed securities have been in a continuous unrecognized unrealized loss position as of December 31, 2024 and 2023:

	<b>2024</b>
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 42,375,339
2. 12 months or longer	126,739,475
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	1,142,848,327
2. 12 months or longer	1,131,641,461
	<b>2023</b>
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 3,259,294
2. 12 months or longer	187,393,796
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	291,117,947
2. 12 months or longer	1,958,380,049

- (5) The Company believes that it will continue to collect timely the principal and interest due on its loan-backed securities that have an amortized cost in excess of fair value. The unrealized losses were primarily caused by interest rate changes and not by unfavorable changes in the credit quality associated with these securities that impacted the assessment on collectability of principal and interest. At each reporting period, the Company evaluates available-for-sale debt securities for any credit-related impairment when the fair value of the investment is less than its amortized cost. The Company evaluated the expected cash flows and the underlying credit quality and credit ratings of the issuers, noting no significant credit deterioration since purchase. As of December 31, 2024, the unrealized loss on any security that the Company classified as available-for-sale was not material to the Company's investment portfolio. Any other securities in an unrealized loss position as of December 31, 2024, the Company considers to be temporary.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions** — Not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing** — The Company has a Master Repurchase Agreement with Northern Trust, under which the Company can borrow up to \$500,000,000 as secured borrowings. There were no outstanding balances under this agreement as of December 31, 2024 or December 31, 2023.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- J. Real Estate** — Not applicable.

**K. Low-Income Housing Tax Credits**

(1-7) Low-income housing tax credit investments of \$150,317,790 and \$138,365,986 as of December 31, 2024 and 2023, respectively, are included in other invested assets in the financial statements. The Company also has a corresponding commitment for additional investment of \$48,260,530 and \$43,676,149 as of December 31, 2024 and 2023, respectively. The number of remaining years of unexpired tax credits is 12 years and the required holding period for the low-income housing tax credit investments is 17 years. The Company did not recognize any impairment losses, write-downs, or reclassifications during 2024 or 2023.

**L. Restricted Assets —**

(1) Restricted assets, including pledged securities as of December 31, 2024 and 2023, are presented below:

Restricted Asset Category	1 Total General Account (G/A)	2 G/A Supporting S/A Activity (a)	3 Total Separate Account (S/A) Restricted Assets	4 S/A Assets Supporting G/A Activity (b)	5 Total (1 Plus 3)	6 Total from Prior Year	7 Increase/ (Decrease) (5 Minus 6)	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 Minus 8)	10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
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—excluding FHLB capital stock	—	—	—	—	—	—	—	—	—	—%	—%
i. FHLB capital stock	—	—	—	—	—	—	—	—	—	—%	—%
j. On deposit with states	27,191,717	—	—	—	27,191,717	2,461,879	24,729,838	—	27,191,717	<1%	<1%
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—	—	—	—%	—%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—	—	—	—	—	—	—	—%	—%
m. Pledged as collateral not captured in other categories	—	—	—	—	—	—	—	—	—	—%	—%
n. Other restricted assets	—	—	—	—	—	—	—	—	—	—%	—%
<b>o. Total restricted assets</b>	<b>\$ 27,191,717</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$27,191,717</b>	<b>\$2,461,879</b>	<b>\$ 24,729,838</b>	<b>\$ —</b>	<b>\$ 27,191,717</b>	<b>&lt;1%</b>	<b>&lt;1%</b>

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

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

(2-4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2024 or 2023.

**M. Working Capital Finance Investments — Not applicable.**

**N. Offsetting and Netting of Assets and Liabilities**

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

**O. 5GI Securities**

The Company does not have any investments with a National Association of Insurance Commissioners' designation of 5GI as of December 31, 2024 and 2023.

**P. Short Sales — Not applicable.**

**Q. Prepayment Penalty and Acceleration Fees**

The following table illustrates prepayment penalty and acceleration fees as of December 31, 2024:

	<u>General Account</u>	<u>Separate Account</u>
1. Number of CUSIPs	88	—
2. Aggregate Amount of Investment Income	\$ (767,806)	\$ —

**R. Reporting Entity's Share of Cash Pool by Asset Type**

The Company's investment in the qualified cash pool is reported in cash equivalents. The Company's investment in the qualified cash pool is \$1,735,437,517 and \$1,800,974,320 as of December 31, 2024 and 2023, respectively. The following table presents the percent share distribution by underlying asset type of the total qualified cash pool balance as of December 31, 2024:

<u>Asset Type</u>	<u>Percent Share</u>
(1) Cash	3%
(2) Cash Equivalents	51%
(3) Short-Term Investments	46%
(4) Total	<u>100%</u>

**S. Aggregate Collateral Loans by Qualifying Investment Collateral — Not applicable.**

**6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES**

**A–B.** The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

**7. INVESTMENT INCOME**

**A.** The Company excludes all investment income due and accrued amounts that are over 90 days past due from the financial statements.

**B.** There were no investment income amounts excluded from the financial statements.

**C.** The following table illustrates the gross interest income due and accrued, nonadmitted interest income due and accrued, and admitted interest income due and accrued amounts as of December 31, 2024 and 2023:

	<b>2024</b>
Interest Income Due And Accrued:	
1. Gross	\$ 72,155,109
2. Nonadmitted	—
3. Admitted	72,155,109
	<b>2023</b>
Interest Income Due And Accrued:	
1. Gross	\$ 63,716,704
2. Nonadmitted	—
3. Admitted	63,716,704

D. The Company has no aggregated deferred interest as of December 31, 2024 or 2023.

E. The Company has no paid-in-kind interest as of December 31, 2024 or 2023.

## 8. DERIVATIVE INSTRUMENTS

A–B. The Company has no derivative instruments.

## 9. INCOME TAXES

The corporate alternative minimum tax is calculated as 15% of adjusted financial statement income and applies only to corporations with average annual adjusted financial statement income in excess of \$1 billion for three prior taxable years. The applicability of the corporate alternative minimum tax is determined on a tax-controlled group basis.

The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group Incorporated which constitutes a controlled group. The controlled group's expected federal income tax will exceed the corporate alternative minimum tax and therefore the Company does not expect to be subject to the minimum tax.

The controlled group has not made any material modifications to the methodology used to project the corporate alternative minimum tax.

### A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2024 and 2023 are as follows:

	2024			2023			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7+8) Total
(a) Gross deferred tax assets	\$ 558,603,642	\$ —	\$ 558,603,642	\$ 546,040,717	\$ 3,309	\$ 546,044,026	\$ 12,562,925	\$ (3,309)	\$ 12,559,616
(b) Statutory valuation allowance adjustments	—	—	—	—	—	—	—	—	—
(c) Adjusted gross deferred tax assets (1a - 1b)	558,603,642	—	558,603,642	546,040,717	3,309	546,044,026	12,562,925	(3,309)	12,559,616
(d) Deferred tax assets nonadmitted	119,126,132	—	119,126,132	111,021,689	—	111,021,689	8,104,443	—	8,104,443
(e) Subtotal net admitted deferred tax asset (1c - 1d)	439,477,510	—	439,477,510	435,019,028	3,309	435,022,337	4,458,482	(3,309)	4,455,173
(f) Deferred tax liabilities	16,838,979	17,533,527	34,372,506	16,876,867	11,377,956	28,254,823	(37,888)	6,155,571	6,117,683
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 422,638,531	\$ (17,533,527)	\$ 405,105,004	\$ 418,142,161	\$ (11,374,647)	\$ 406,767,514	\$ 4,496,370	\$ (6,158,880)	\$ (1,662,510)

(2) The components of the adjusted gross deferred tax assets admissibility calculation under Statement of Statutory Accounting Principles No. 101, *Income Taxes*, are as follows:

	2024			2023			Change		
	1	2	3	4	5	6	7	8	9
Admission Calculation Components SSAP No. 101	Ordinary	Capital	(Col 1 + 2) Total	Ordinary	Capital	(Col 4 + 5) Total	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7 + 8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 383,207,053	\$ —	\$ 383,207,053	\$ 388,035,150	\$ —	\$ 388,035,150	\$ (4,828,097)	\$ —	\$ (4,828,097)
(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)	21,897,951	—	21,897,951	18,732,364	—	18,732,364	3,165,587	—	3,165,587
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	21,897,951	—	21,897,951	18,732,364	—	18,732,364	3,165,587	—	3,165,587
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	1,030,584,270	XXX	XXX	989,793,203	XXX	XXX	40,791,067
(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	34,372,506	—	34,372,506	28,251,514	3,309	28,254,823	6,120,992	(3,309)	6,117,683
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	\$ 439,477,510	\$ —	\$ 439,477,510	\$ 435,019,028	\$ 3,309	\$ 435,022,337	\$ 4,458,482	\$ (3,309)	\$ 4,455,173

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admissibility calculation are presented below:

	2024	2023
(a) Ratio percentage used to determine recovery period and threshold limitation amount	>300%	>300%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	\$ 6,870,561,803	\$ 6,598,621,355

- (4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2024 and 2023 is presented below:

Impact of Tax-Planning Strategies	2024		2023		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	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)	\$558,603,642	\$ —	\$546,040,717	\$ 3,309	\$ 12,562,925	\$ (3,309)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies	— %	— %	— %	— %	— %	— %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$439,477,510	\$ —	\$435,019,028	\$ 3,309	\$ 4,458,482	\$ (3,309)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning	— %	— %	— %	— %	— %	— %
(b) Does the Company's tax-planning strategies include the use of reinsurance?			Yes		No	X

## B. Unrecognized Deferred Tax Liabilities

- (1-4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2024 and 2023.

## C. Significant Components of Income Taxes

- (1) The current federal income taxes incurred for the years ended December 31, 2024 and 2023 are as follows:

	1 2024	2 2023	3 (Col 1 - 2) Change
1. Current income tax			
(a) Federal	\$ 625,119,917	\$ 585,152,332	\$ 39,967,585
(b) Foreign	—	—	—
(c) Subtotal (1a+1b)	625,119,917	585,152,332	39,967,585
(d) Federal income tax on net capital gains (losses)	(213,069)	(1,737,616)	1,524,547
(e) Utilization of capital loss carryforwards	—	—	—
(f) Other	—	—	—
(g) Total federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ 624,906,848	\$ 583,414,716	\$ 41,492,132

**(2-4)** The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2024 and 2023, are as follows:

	1	2	3
	2024	2023	(Col 1 - 2) Change
<b>2. Deferred tax assets:</b>			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 145,755,666	\$ 128,005,778	\$ 17,749,888
(2) Unearned premium reserve	40,957,901	27,335,162	13,622,739
(3) Policyholder reserves	—	97,198,143	(97,198,143)
(4) Investments	—	—	—
(5) Deferred acquisition costs	206,939,072	191,177,685	15,761,387
(6) Policyholder dividends accrual	—	—	—
(7) Fixed assets	—	—	—
(8) Compensation and benefits accrual	—	—	—
(9) Pension accrual	—	—	—
(10) Receivables — nonadmitted	149,552,423	89,927,640	59,624,783
(11) Net operating loss carryforward	—	—	—
(12) Tax credit carryforward	—	—	—
(13) Other	15,398,580	12,396,309	3,002,271
(99) Subtotal (sum of 2a1 through 2a13)	558,603,642	546,040,717	12,562,925
(b) Statutory valuation allowance adjustment	—	—	—
(c) Nonadmitted	119,126,132	111,021,689	8,104,443
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	439,477,510	435,019,028	4,458,482
(e) Capital:			
(1) Investments	—	3,309	(3,309)
(2) Net capital loss carryforward	—	—	—
(3) Real estate	—	—	—
(4) Other	—	—	—
(99) Subtotal (2e1+2e2+2e3+2e4)	—	3,309	(3,309)
(f) Statutory valuation allowance adjustment	—	—	—
(g) Nonadmitted	—	—	—
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	—	3,309	(3,309)
(i) Admitted deferred tax assets (2d + 2h)	439,477,510	435,022,337	4,455,173
<b>3. Deferred tax liabilities:</b>			
(a) Ordinary:			
(1) Investments	—	—	—
(2) Fixed assets	—	—	—
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Other	16,838,979	16,876,867	(37,888)
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	16,838,979	16,876,867	(37,888)
(b) Capital:			
(1) Investments	4,369,790	—	4,369,790
(2) Real estate	—	—	—
(3) Other	13,163,737	11,377,956	1,785,781
(99) Subtotal (3b1+3b2+3b3)	17,533,527	11,377,956	6,155,571
(c) Deferred tax liabilities (3a99 + 3b99)	34,372,506	28,254,823	6,117,683
<b>4. Net deferred tax assets/liabilities (2i - 3c)</b>	<b>\$ 405,105,004</b>	<b>\$ 406,767,514</b>	<b>\$ (1,662,510)</b>

The Company assessed the potential realization of the gross deferred tax asset and as a result no statutory valuation allowance was required and no allowance was established as of December 31, 2024 and 2023.

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 21% to net income before federal income taxes incurred, less capital gains benefit/plus capital gains tax. A summarization of the significant items causing this difference as of December 31, 2024 and 2023 is as follows:

	2024		2023	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Tax provision at the federal statutory rate	\$ 816,078,598	21 %	\$ 716,443,466	21 %
Capital gains	11,372,861		(1,215,865)	—
Total income tax	827,451,459	21	715,227,601	21
Tax-exempt interest	(4,427,823)	—	(4,680,085)	—
Current year tax credit	(18,400,918)	—	(15,575,127)	—
Other current year items	(2,247,257)	—	(2,701,166)	—
Tax effect of nonadmitted assets	(59,821,696)	(2)	(20,884,317)	(1)
Prior year true-up	(84,631)	—	(145,537)	—
Subsidiary dividends	(199,290,000)	(5)	(258,216,000)	(8)
ASO Network Charge	73,500,000	2	73,500,000	2
Total statutory income taxes	\$ 616,679,134	16 %	\$ 486,525,369	14 %
Federal income taxes incurred	\$ 625,119,917	16 %	\$ 585,152,332	17 %
Capital gains tax	(213,069)	—	(1,737,616)	—
Change in net deferred income tax	(8,227,714)	—	(96,889,347)	(3)
Total statutory income taxes	\$ 616,679,134	16 %	\$ 486,525,369	14 %

- E. At December 31, 2024, the Company had no net operating loss carryforwards.

Current federal income taxes payable of \$175,346,193 and \$246,247,538 as of December 31, 2024 and 2023, respectively, are included in the financial statements. Federal income taxes paid, net of refunds, were \$695,808,192 and \$567,896,698 in 2024 and 2023, respectively.

Federal income taxes incurred of \$625,102,909 and \$583,364,191 for 2024 and 2023, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 (“Deposits made to suspend running of interest on potential underpayments, etc.”) of the Internal Revenue Service Code.

- F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group Incorporated which constitutes a controlled group. The entities included within the consolidated return are included in the National Association of Insurance Commissioners' Statutory Statement Schedule Y - Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group Incorporated pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal return of UnitedHealth Group Incorporated. UnitedHealth Group Incorporated currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The U.S. Internal Revenue Service has completed exams on UnitedHealth Group Incorporated's consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group Incorporated's 2017 through 2020 tax returns are under review by the

Internal Revenue Service under its Compliance Assurance Program. UnitedHealth Group Incorporated is no longer subject to income tax examinations prior to the 2015 tax year. In general, the Company is subject to examination in non-U.S. jurisdictions for years 2015 and forward.

- G. **Tax Contingencies** — Not applicable.
- H. **Repatriation Transition Tax** — Not applicable.
- I. **Alternative Minimum Tax Credit** — Not applicable.

## 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

**A–B.** In the ordinary course of business, the Company contracts with several affiliates to provide a wide variety of services to the Company's members. These agreements are filed with and approved by the Connecticut Insurance Department according to Management's understanding of the current requirements and standards. Within the confines of the applicable filed and approved agreements (including subsequent amendments thereto), the amount and types of services provided by these affiliated entities can change year over year.

United HealthCare Services, Inc. maintains a private short-term investment pool in which affiliated companies may participate (see Note 1). At December 31, 2024 and 2023, the Company's portion was \$1,735,437,517 and \$1,800,974,320, respectively and is included in cash equivalents in the financial statements.

The Company has a tax-sharing agreement with UnitedHealth Group Incorporated (see Note 9).

Cash dividends from wholly owned subsidiaries totaled \$949,000,000 and \$1,229,600,000 for the years ended December 31, 2024 and 2023, respectively, and are included in net investment income in the financial statements.

The Company paid dividends of \$2,325,000,000 and \$2,520,000,000 in 2024 and 2023, respectively, to its parent (see Note 13).

The Company holds a \$1,000,000,000 subordinated credit agreement with United HealthCare Services, Inc. at an interest rate of Fed Funds Target rate - Upper Bound plus 50 basis points. This credit agreement is subordinate to the claims of non-affiliated creditors and loans from non-affiliated lenders of the borrowers. This credit agreement is revolving, unless terminated by either party. No amounts were outstanding under the line of credit as of December 31, 2024 and 2023.

The Company has a subordinated debt agreement with United HealthCare Services, Inc. at an interest rate of Fed Funds Target rate - Upper Bound plus 50 basis points. Under this agreement, United HealthCare Services, Inc. can borrow money on a short-term basis from the Company. The aggregate principal amount that may be outstanding at any time is the lesser of 3% of the Company's admitted assets or 25% of the Company's policyholder surplus as of the preceding December 31. The Company has received approval from the Connecticut Insurance Department to admit this receivable in the financial statements. As of December 31, 2024 and 2023 the outstanding balance under this agreement is \$650,000,000 and \$625,000,000, respectively, which is reported in affiliated note receivable in the financial statements. The total amount of interest earned through the reporting period is \$23,202,643 and \$30,676,996, which includes interest receivable of \$473,958 and \$28,504,774 as of December 31, 2024 and 2023, respectively.

The Company has reinsurance agreements with affiliated entities (see Note 23).

- C. The Company has no material related party transactions that meet the disclosure requirements pursuant to Statement of Statutory Accounting Principles No. 25, *Affiliates and Other Related Parties* that are not included in National Association of Insurance Commissioner Statutory Statement Schedule Y—Part 2 Summary Of Insurer's Transactions With Any Affiliates.
- D. The Company had a payable to parent, subsidiaries, and affiliates of \$250,430,815 and \$957,254,332, as of December 31, 2024 and 2023, respectively, which are included in the financial statements. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

- E.** The administrative services, access fees, and cost of care services provided by affiliates are calculated using one or more of the following methods: (1) a percentage of premiums; (2) use of assets; (3) direct pass-through of charges; (4) per member per month; (5) per employee per month; (6) per claim; or (7) a combination thereof consistent with the provisions contained in each contract. These amounts are included in general insurance expenses and benefits under life and accident and health contracts in the financial statements. The following table identifies the amounts reported for the administrative services, access fees, and cost of care services provided by related parties for the years ended December 31, 2024 and 2023, which meet the disclosure requirements pursuant to SSAP No. 25, *Affiliates and Other Related Parties*, regardless of the effective date of the contract:

	<b>2024</b>	<b>2023</b>
OptumRx, Inc.	\$ 9,131,233,534	\$ 7,354,082,686
United HealthCare Services, Inc.	3,270,433,177	3,111,220,253
United Behavioral Health	483,131,601	440,835,253

OptumRx, Inc. provides services that may include, but are not limited to, administrative services related to pharmacy management and pharmacy claims processing for enrollees, manufacturer rebate administration, pharmacy incentive services, specialty drug pharmacy services, durable medical equipment services including orthotics and prosthetics and personal health products catalogues showing the healthcare products and benefit credits enrollees needed to redeem the respective products.

United HealthCare Services, Inc. provides, or arranges for the provision of, management, administrative, and other services deemed necessary or appropriate for United HealthCare Services, Inc. to provide management and operational support to the Company. The services can include, but are not limited to, the categories of management and operational services outlined in the management agreement, such as human resources, legal, facilities, general administration, treasury and investment functions, claims adjudication and payment, benefit administration, disease management, health care decision support, medical management, credentialing, preventative health services, utilization management reporting and expenses incurred for new business that will be effective in the subsequent year.

United Behavioral Health provides services related to mental health and substance abuse treatment.

- F.** The Company provides a commitment to the New York State Department of Financial Services that the premium-to-surplus ratio for its wholly owned subsidiary, UHIC NY, is not more than four-to-one.

Effective January 1, 2014, the Company provided a guarantee to the state of New Jersey that its affiliate, Care Improvement Plus South Central Insurance Company, will maintain capital and surplus that meets or exceeds the minimum amount as required by the state of New Jersey. The guarantee was effective for 10 years and expired as of January 1, 2024.

The Company unconditionally guarantees any and all future liabilities of its affiliate, Centurion Casualty Company, to the state of New Jersey.

- G.** The Company is part of an insurance holding company system with UnitedHealth Group Incorporated as the ultimate parent. Management believes that the Company's transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.
- H.** The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.
- I.** The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.
- J.** The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.
- K.** The Company does not have any investments in foreign insurance subsidiaries.
- L.** The Company does not hold any investments in a downstream noninsurance holding company.

- M. The Company has investments in noninsurance subsidiaries, controlled, or affiliated entities.
- N. The Company has investments in insurance subsidiaries, controlled, or affiliated entities.
- O. The Company does not have any investments in subsidiary, controlled, or affiliated entities or joint ventures, partnerships, and limited liability companies in which the Company's share of losses exceeds the investment.

**11. DEBT**

- A–B.** The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2024 and 2023.

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

- A–I.** The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of United HealthCare Services, Inc., which provides services to the Company under the terms of the management agreement (see Note 10).

**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS**

- A–B.** The Company has 1,000 shares authorized and 500 shares issued and outstanding of \$6,000 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, UHIC Holdings, Inc.
- C.** Dividend payment requirements are outlined in the domiciliary state statutes and may be further restricted by the Connecticut Insurance Department.
- D.** The Company distributed the following dividends in 2024 and 2023. The dividends complied with the provisions set forth in the statutes of Connecticut and were recorded as a reduction to unassigned funds (surplus) in the financial statements.
  - On March 4, 2024, the Company declared an ordinary cash dividend of \$350,000,000 to the sole shareholder, UHIC Holdings, Inc. The dividend was paid on March 18, 2024.
  - On June 5, 2024, the Company declared an ordinary cash dividend of \$1,400,000,000 to UHIC Holdings, Inc. The dividend was paid on June 21, 2024.
  - On September 13, 2024, the Company declared an ordinary cash dividend of \$575,000,000 to UHIC Holdings, Inc. The dividend was paid on September 27, 2024.
  - On February 15, 2023, the Company declared an extraordinary cash dividend of \$750,000,000 to UHIC Holdings, Inc. The dividend, which was approved by the Connecticut Insurance Department, was paid on March 17, 2023.
  - On May 18, 2023, the Company declared an extraordinary cash dividend of \$750,000,000 to UHIC Holdings, Inc. The dividend, which was approved by the Connecticut Insurance Department, was paid on June 20, 2023.
  - On August 17, 2023, the Company declared an extraordinary cash dividend of \$520,000,000 to UHIC Holdings, Inc. The dividend, which was approved by the Connecticut Insurance Department, was paid on September 18, 2023.
  - On December 4, 2023, the Company declared an ordinary cash dividend of \$500,000,000 to UHIC Holdings, Inc. The dividend was paid on December 19, 2023.
- E.** The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.
- F.** There are no restrictions placed on the Company's unassigned funds (surplus).

- G. The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.
- H. The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.
- I. The Company does not have any special surplus funds.
- J. The portion of unassigned funds (surplus), excluding net income (loss) and dividends, represented (or reduced) by each item below is as follows:

	<b>2024</b>	<b>2023</b>
Unrealized capital gains (losses) on investments	\$ 1,080,351,169	\$ 1,524,837,461
Net deferred income taxes	537,394,873	529,167,159
Nonadmitted assets	(833,107,583)	(540,137,918)
Asset valuation reserve	(171,916,349)	(428,343,661)
Reinsurance in unauthorized companies	<u>(169,148)</u>	<u>—</u>
Total	<u>\$ 612,552,962</u>	<u>\$ 1,085,523,041</u>

- K–M. The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

#### 14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

##### A. Contingent Commitments

The Company has no contingent commitments.

##### B. Assessments

- (1–2) The Company is not aware of any other guaranty fund assessments or premium tax offsets, potential or accrued, that could have a material financial effect on the operations of the entity other than what is reported below.
- (3) Under state guaranty association laws, certain insurance companies can be assessed (up to prescribed limits) for certain obligations to the policyholders and claimants of impaired or insolvent insurance companies that write the same line or similar lines of business. On March 1, 2017, the Commonwealth of Pennsylvania Court entered the written liquidation orders, regarding Penn Treaty Network America Insurance Company and its subsidiary. As of December 31, 2024 and 2023, the Company has recorded \$43,714,154 and \$58,574,765, respectively, for its estimated share of the guaranty association assessment liability and \$45,316,355 and \$50,346,293, respectively, for its associated premium tax credit asset, resulting from the Penn Treaty Network America Insurance Company and its subsidiary liquidation, which is included in taxes, licenses and fees due or accrued, excluding federal income taxes and other assets, respectively, in the financial statements. While the ultimate payment timing and associated recovery is currently unknown, the Company initially anticipated that the majority of the assessments would be paid within five years. Management of the Company has subsequently learned that some states have opted to defer the funding to later years and while this impacts the aggregation tables, it does not have a significant financial impact on the guaranty association assessment liability and related expense or the associated premium tax credit asset.

As of December 31, 2024, assessments from insolvencies is presented below:

- a. Discount Rate Applied 3.5 %
- b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency;

Name of the Insolvency	Guaranty Fund Assessment		Related Assets	
	Undiscounted	Discounted	Undiscounted	Discounted
Penn Treaty Network America Insurance Company	\$ 96,699,683	\$ 43,714,154	\$ 71,056,055	\$ 45,316,355

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

Name of the Insolvency	Payables			Recoverables		
	Number of Jurisdictions	Range of Years	Weighted Average of Number of Years	Number of Jurisdictions	Range of Years	Weighted Average of Number of Years
Penn Treaty Network America Insurance Company	25	1-45	28	26	1-50	24

**C. Gain Contingencies**

The Company is not aware of any gain contingencies that should be disclosed in the financial statements.

**D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits — Not applicable.**

**E. Joint and Several Liabilities — Not applicable.**

**F. All Other Contingencies**

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The Company has been, or is currently, involved in various governmental investigations, audits and reviews. These include routine, regular, and special investigations, audits and reviews by Centers for Medicare and Medicaid Services, state insurance and health and welfare departments and other governmental authorities. The Company cannot reasonably estimate the range of loss, if any, that may result from any material government investigations, audits and reviews in which it is currently involved given the inherent difficulty in predicting regulatory action, fines and penalties, if any, and the various remedies and levels of judicial review available to the Company in the event of an adverse finding.

On February 14, 2017, the Department of Justice announced its decision to pursue certain claims within a lawsuit initially asserted against the Company and filed under seal by a whistleblower in 2011. The whistleblower's complaint, which was unsealed on February 15, 2017, alleges that the Company made improper risk adjustment submissions and violated the False Claims Act. On February 12, 2018, the court granted in part and denied in part the Company's motion to dismiss. In May 2018, the Department of Justice moved to dismiss the Company's counterclaims, which were filed in March 2018, and moved for partial summary judgment. In March 2019, the court denied the government's motion for partial summary judgment and dismissed the Company's counterclaims without prejudice. The Company cannot reasonably estimate the outcome that may result from this matter given its procedural status.

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers,

consumer advocacy organizations, customers, and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters involve: indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility, or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the financial statements of the Company.

The Company routinely evaluates the collectability of all receivable amounts included in the financial statements. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

There are no other assets that the Company considers to be impaired at December 31, 2024 and 2023, except as disclosed in Note 5 and Note 20.

## **15. LEASES**

**A–B.** According to the management agreement between the Company and United HealthCare Services, Inc. (see Note 10), United HealthCare Services, Inc. is responsible for operating leases for the rental of office facilities and equipment. Fees associated with the lease agreements are included as a component of the Company's management fee.

## **16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK**

**(1–4)** The Company does not hold any financial instruments with off-balance-sheet risk or have any concentrations of credit risk.

## **17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

**A–C.** The Company did not participate in any transfer of receivables, financial assets, or wash sales.

## **18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

### **A. Administrative Services Only Plans**

The Company provides certain claims and other administrative services for its uninsured customers through administrative services only contracts. The total net gain from operations as a result of reimbursement for administrative fees in excess of actual expenses during 2024 and 2023 was \$184,902,212 and \$194,793,578, respectively. These items are included in general insurance expenses in the accompanying statutory basis statements of operations. The related claims payment volume administered by the Company on behalf of its administrative services only customers was \$4,385,336,615 and \$4,757,936,842 for 2024 and 2023, respectively.

**B.** The Company has no operations from Administrative Services Contracts.

### **C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract**

The Medicare Part D program is a partially insured plan. The Company recorded a receivable of \$987,340,591 and \$435,800,812 at December 31, 2024 and 2023, respectively, for cost reimbursement under the Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies. The Company also recorded a receivable of \$523,062,109 and \$582,253,770 and also a payable of \$395,131,125 and \$600,624,126 at December 31, 2024 and

2023, respectively, for the Medicare Part D coverage gap discount program. The receivables and payables are recorded in amounts receivable relating to uninsured plans and liability for amounts held under uninsured plans, respectively, in the financial statements. These Medicare subsidies are described in Note 1, Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans.

The Inflation Reduction Act was signed into law in 2022 and created a one-year subsidy for 2023 labeled as the Inflation Reduction Act Subsidy Amounts. The Company recorded a receivable of \$138,806,534 at December 31, 2024 for the temporary retrospective subsidy to be paid to Part D plans for the reduction in cost sharing and elimination of the deductible for ACIP-recommended vaccines and covered insulin products during the 2023 plan year related to Inflation Reduction Act Subsidy Amounts. The Inflation Reduction Act Subsidy was only available for 2023.

## **19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS**

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2024 and 2023.

## **20. FAIR VALUE MEASUREMENTS**

The National Association of Insurance Commissioner Practices and Procedures manual defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

*Level 1* — Quoted (unadjusted) prices for identical assets in active markets.

*Level 2* — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.

*Level 3* — Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds, cash equivalents, short-term investments, preferred stocks, and common stocks (collectively “investment holdings”) are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the

fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

## A. Fair Value

### (1) Fair Value Measurements at Reporting Date

The following tables present information about the Company's financial assets that are measured and reported at fair value at December 31, 2024 and 2023, in the financial statements according to the valuation techniques the Company used to determine their fair values:

Description for Each Class of Asset or Liability	2024			Net Asset Value (NAV)	Total
	(Level 1)	(Level 2)	(Level 3)		
a. Assets at fair value:					
Perpetual preferred stock:					
Industrial and misc	\$ —	\$ 21,540,974	\$ —	\$ —	\$ 21,540,974
Parent, subsidiaries, and affiliates	—	—	—	—	—
Total perpetual preferred	—	21,540,974	—	—	21,540,974
Bonds:					
U.S. governments	—	—	—	—	—
Industrial and misc	—	279,691	—	—	279,691
Hybrid securities	—	—	—	—	—
Parent, subsidiaries, and affiliates	—	—	—	—	—
Total bonds	—	279,691	—	—	279,691
Common stock:					
Industrial and misc	—	—	—	—	—
Parent, subsidiaries, and affiliates	—	—	—	—	—
Total common stock	—	—	—	—	—
Derivative assets:					
Interest rate contracts	—	—	—	—	—
Foreign exchange contracts	—	—	—	—	—
Credit contracts	—	—	—	—	—
Commodity futures contracts	—	—	—	—	—
Commodity forward contracts	—	—	—	—	—
Total derivatives	—	—	—	—	—
Money-market funds	227,183,568	—	—	—	227,183,568
Qualified cash pool	1,735,437,517	—	—	—	1,735,437,517
Other invested assets	—	—	71,067,584	—	71,067,584
Total assets at fair value/NAV	\$ 1,962,621,085	\$ 21,820,665	\$ 71,067,584	\$ —	\$ 2,055,509,334
b. Liabilities at fair value:					
Derivative liabilities	\$ —	\$ —	\$ —	\$ —	\$ —
Total liabilities at fair value	\$ —	\$ —	\$ —	\$ —	\$ —

Description for Each Class of Asset or Liability	2023			Net Asset Value (NAV)	Total
	(Level 1)	(Level 2)	(Level 3)		
a. Assets at fair value:					
Perpetual preferred stock:					
Industrial and misc	\$ —	\$ 20,475,878	\$ —	\$ —	\$ 20,475,878
Parent, subsidiaries, and affiliates	—	—	—	—	—
Total perpetual preferred stocks	—	20,475,878	—	—	20,475,878
Bonds:					
U.S. governments	4,790,021	—	—	—	4,790,021
Industrial and misc	—	3,892	—	—	3,892
Hybrid securities	—	—	—	—	—
Parent, subsidiaries, and affiliates	—	—	—	—	—
Total bonds	4,790,021	3,892	—	—	4,793,913
Common stock:					
Industrial and misc	179,755,007	—	—	—	179,755,007
Parent, subsidiaries, and affiliates	—	—	—	—	—
Total common stock	179,755,007	—	—	—	179,755,007
Derivative assets:					
Interest rate contracts	—	—	—	—	—
Foreign exchange contracts	—	—	—	—	—
Credit contracts	—	—	—	—	—
Commodity futures contracts	—	—	—	—	—
Commodity forward contracts	—	—	—	—	—
Total derivatives	—	—	—	—	—
Money-market funds	160,351,234	—	—	—	160,351,234
Qualified cash pool	1,800,974,320	—	—	—	1,800,974,320
Other invested assets	—	—	53,815,850	—	53,815,850
Total assets at fair value/NAV	\$ 2,145,870,582	\$ 20,479,770	\$ 53,815,850	\$ —	\$ 2,220,166,202
b. Liabilities at fair value:					
Derivative liabilities	\$ —	\$ —	\$ —	\$ —	\$ —
Total liabilities at fair value	\$ —	\$ —	\$ —	\$ —	\$ —

(2) Fair value measurements included in Level 3 of the fair value hierarchy tables above at December 31, 2024 and December 31, 2023, are presented in the table below:

Description	2024									
	Beginning Balance as of 1/1/2024	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) included	Total Gains and (Losses) included in	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2024
a. Assets:										
Loan-backed and structured Securities (NAIC 3-6):										
Residential mortgage-backed securities	\$ — (a)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial mortgage-backed securities	—	— (b)	—	—	—	—	—	—	—	—
Derivative:										
Credit contracts	—	—	—	—	—	—	—	—	—	—
Other fund investments:										
Hedge fund high-yield debt securities	—	—	—	—	—	—	—	—	—	—
Private equity	—	—	—	—	—	—	—	—	—	—
Other invested assets	53,815,850	—	—	—	(1,015,003)	18,266,737	—	—	—	71,067,584
<b>Total assets</b>	<b>\$53,815,850</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (1,015,003)</b>	<b>\$18,266,737</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 71,067,584</b>
b. Liabilities										
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
2023										
Description	Beginning Balance as of 1/1/2023	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) included in Net Income	Total Gains and (Losses) included in Surplus	Purchases	Issuances	Sales	Settlement	Ending Balance at 12/31/2023
a. Assets:										
Loan-backed and structured Securities (NAIC 3-6):										
Residential mortgage-backed securities	\$ — (a)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial mortgage-backed securities	—	— (b)	—	—	—	—	—	—	—	—
Derivative:										
Credit contracts	—	—	—	—	—	—	—	—	—	—
Other fund investments:										
Hedge fund high-yield debt securities	—	—	—	—	—	—	—	—	—	—
Private equity	—	—	—	—	—	—	—	—	—	—
Other invested assets	2,328,172	—	—	—	(417,260)	51,904,938	—	—	—	53,815,850
<b>Total assets</b>	<b>\$2,328,172</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (417,260)</b>	<b>\$51,904,938</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 53,815,850</b>
b. Liabilities										
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

(3) Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the years ended December 31, 2024 or 2023.

- (4) The framework the Company has established for determining the fair value of the investment holdings is outlined below.

**Low-Income Housing Tax Credit Investments and Certified Capital Company Investments**

— The Company considers its investments in low-income housing tax credits and certified capital company investments as a Level 3 investment even though no market valuation adjustment was required as of December 31, 2024 and 2023. As a result, these investments are excluded from being presented as a level 3 security in the financial hierarchy tables above. As there is no readily available market, these securities are recorded and reported at book/adjusted carrying value and considered held to maturity as they will not be sold. As a result, these investments are recorded and reported at book value of \$150,317,790 and \$138,365,986 as of December 31, 2024 and 2023, respectively. Should any contractual breakage occur that jeopardizes the ability to receive the tax credits associated with these securities, impairments will be recognized. As of December 31, 2024, all of these investments are performing in accordance with their original contract terms.

**Private-Placement Fixed-Income Securities** — Private placement securities are by their nature illiquid securities as they can be sold only under an exemption from registration under federal securities laws. There is not an active public market for trading in these securities and pricing services generally do not offer prices for these securities. Also obtaining broker quotes for these security types is not feasible for those reasons. The Company purchases private placements with the intention of holding these securities until maturity.

The Company is responsible for the valuations assigned. The Company utilizes the expertise of its investment manager to assist in the valuation of these securities. All valuations are approved by the valuation committee of the investment manager and reviewed by UnitedHealth Group Incorporated's investment management area.

- (5) The Company has no derivative assets and liabilities to disclose.

**B. Fair Value Combination** — Not applicable.

### C. Aggregate Fair Value Hierarchy

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2024 and 2023 is presented in the table below:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	2024			Net Asset Value (NAV)	Not Practicable (Carrying Value)
			(Level 1)	(Level 2)	(Level 3)		
U.S. government and agency securities	\$ 2,014,686,737	\$ 2,179,355,443	\$ 711,292,673	\$ 1,303,394,064	\$ —	\$ —	\$ —
State and agency municipal securities	537,730,470	569,093,732	—	537,730,470	—	—	—
City and county municipal securities	681,512,608	721,142,692	—	681,512,608	—	—	—
Corporate debt securities	5,344,107,936	5,563,178,163	—	5,058,107,075	286,000,861	—	—
Cash equivalents	2,019,759,695	2,019,759,695	2,019,759,695	—	—	—	—
Other invested assets	221,385,374	221,385,374	—	—	221,385,374	—	—
Preferred stock	21,305,777	21,540,974	—	21,305,777	—	—	—
<b>Total bonds, short-term investments, cash equivalents, preferred stock and other invested assets</b>	<b>\$ 10,840,488,597</b>	<b>\$ 11,295,456,073</b>	<b>\$ 2,731,052,368</b>	<b>\$ 7,602,049,994</b>	<b>\$ 507,386,235</b>	<b>\$ —</b>	<b>\$ —</b>

  

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	2023			Net Asset Value (NAV)	Not Practicable (Carrying Value)
			(Level 1)	(Level 2)	(Level 3)		
U.S. government and agency securities	\$ 2,033,135,747	\$ 2,213,804,991	\$ 848,699,646	\$ 1,184,436,101	\$ —	\$ —	\$ —
State and agency municipal securities	628,066,551	651,696,946	—	628,066,551	—	—	—
City and county municipal securities	694,465,056	723,736,338	—	694,465,056	—	—	—
Corporate debt securities	5,358,953,631	5,614,533,965	—	5,052,682,981	306,270,650	—	—
Cash equivalents	2,026,026,894	2,026,026,894	2,026,026,894	—	—	—	—
Other invested assets	192,181,836	192,181,836	—	—	192,181,836	—	—
Unaffiliated common stock	179,755,007	179,755,007	179,755,007	—	—	—	—
Preferred stock	20,322,454	20,475,878	—	20,322,454	—	—	—
<b>Total bonds, short-term investments, cash equivalents, unaffiliated common stock, preferred stock and other invested assets</b>	<b>\$ 11,132,907,176</b>	<b>\$ 11,622,211,855</b>	<b>\$ 3,054,481,547</b>	<b>\$ 7,579,973,143</b>	<b>\$ 498,452,486</b>	<b>\$ —</b>	<b>\$ —</b>

**D. 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

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2024 and 2023.

### B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings as of December 31, 2024 and 2023.

### C. Other Disclosures

The Company does not have any amounts not recorded in the financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments that are not derivative instruments.

### D. Business Interruption Insurance Recoveries

The Company has not received any business interruption insurance recoveries during 2024 and 2023.

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

The Company has no transferable or non-transferable state tax credits.

**F. Sub-Prime Mortgage-Related Risk Exposure**

(1–4) The investment policy for the Company limits investments in loan-backed securities, which can include sub-prime issuers. Further, the policy limits investments in private issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The Company does not have any sub-prime mortgage-related risk exposure as of December 31, 2024 and 2023.

**G. Retained Assets**

The Company does not have any retained asset accounts for beneficiaries.

**H. Insurance-Linked Securities Contracts**

As of December 31, 2024, the Company is not aware of any possible proceeds of insurance-linked securities.

**I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy — Not applicable.**

**J. Reporting Net Negative (Disallowed) Interest Maintenance Reserve**

(1–5) — Not applicable.

**22. EVENTS SUBSEQUENT**

Subsequent events have been evaluated through April 29, 2025, which is the date these financial statements were available for issuance.

**TYPE I — Recognized Subsequent Events**

Any material Type I events subsequent to December 31, 2024, have been recognized in the financial statements and corresponding disclosures.

**TYPE II — Non-Recognized Subsequent Events**

Effective March 1, 2025, the Company entered into a sublicense agreement with United Healthcare Services, Inc., an affiliate of the Company. The agreement was approved by the Connecticut Insurance Department and is associated with the Company's right to use certain trade name and other intellectual property in the operation and administration of Medicare Supplement offerings. The sublicense agreement fees are to be calculated as 5.95% of monthly Medicare Supplement Program member premium, retroactive back to July 2024, and are to be included in general insurance expenses within the statutory basis financial statements.

On March 3, 2025, the Company declared an ordinary dividend of \$700,000,000 to UHIC Holdings, Inc. The dividend, which was acknowledged by the Department, was paid on March 18, 2025.

There are no other material non-recognized Type II events that require disclosure.

**23. REINSURANCE**

**Reinsurance Agreements** — In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with affiliated and other nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured.

The Company has a quota-share reinsurance agreement with UHIC NY, a wholly owned subsidiary of the Company. Premiums of \$1,355,688,157 and \$1,255,426,401 were assumed by the Company for the years ended December 31, 2024 and 2023, respectively, and assumed premium receivables due from UHIC NY were \$226,042,508 and \$229,894,637 as of December 31, 2024 and 2023, respectively. Incurred insurance

benefits related to the quota share reinsurance agreement were \$1,116,663,485 and \$990,358,595 for the years ended December 31, 2024 and 2023, respectively, and the Company had assumed claims payable relating to this reinsurance agreement of \$242,217,105 and \$236,227,720 as of December 31, 2024 and 2023, respectively. General insurance expenses and claims adjustment expenses of \$168,371,236 and \$175,279,578 were assumed by the Company for the years ended December 31, 2024 and 2023, respectively, and the Company had a liability for assumed general insurance expenses and claims adjustment expenses relating to this agreement of \$12,837,076 and \$15,468,542 as of December 31, 2024 and 2023, respectively. The funds withheld amounts due from UHIC NY were \$33,098,897 and \$33,650,236 as of December 31, 2024 and 2023, respectively.

The Company has a quota-share reinsurance agreement with UnitedHealthcare of the Midwest ("Midwest"), an affiliate of the Company. Per this agreement, the Company assumes 60% quota share reinsurance of Midwest's net liability under policies, contracts, and binders of insurance or reinsurance assumed, excluding its Medicare business. Premiums of \$2,008,385,061 and \$1,928,656,128 were assumed by the Company for the years ended December 31, 2024 and 2023, respectively, and assumed premium receivables due from Midwest were \$157,683,871 and \$159,532,321 as of December 31, 2024 and 2023, respectively. Incurred insurance benefits related to the quota share reinsurance agreement were \$1,728,419,219 and \$1,658,431,030 for the years ended December 31, 2024 and 2023, respectively, and the Company had assumed claims payable relating to this reinsurance agreement of \$304,042,475 and \$277,821,563 as of December 31, 2024 and 2023, respectively. General insurance expenses and claims adjustment expenses of \$179,419,879 and \$173,956,568 were assumed by the Company for the years ended December 31, 2024 and 2023, respectively, and the Company had a liability for assumed expenses relating to this agreement of \$17,535,124 and \$16,671,443 as of December 31, 2024 and 2023, respectively.

The Company has a quota-share reinsurance agreement with Canada Life Assurance Company (see Note 1). Under this agreement, the Company recognized ceded premiums of \$2,051,386,430 and \$1,988,200,956 for the years ended December 31, 2024 and 2023, respectively, ceded medical benefits and changes in reserves of \$1,819,988,340 and \$1,754,650,786 for the years ended December 31, 2024 and 2023, respectively, and ceded expenses of \$210,356,344 and \$212,318,336 for the years ended December 31, 2024 and 2023, respectively. In addition, the Company reported ceded premium payables of \$531,923,652 and \$538,400,630 at December 31, 2024 and 2023, respectively, reinsurance recoverables for paid losses of \$484,850,049 and \$483,506,284 at December 31, 2024 and 2023, respectively, and recoverables for ceded expenses and experience refunds of \$38,305,308 and \$49,501,994 at December 31, 2024 and 2023, respectively. The Company also reported \$206,979,757 and \$198,100,983 as funds withheld amounts due to Canada Life Assurance Company at December 31, 2024 and 2023, respectively.

The Company recognized ceded premiums related to other external reinsurance agreements of \$70,800,587 and \$131,162,114 in 2024 and 2023, respectively, which are netted against premiums for life and accident and health contracts in the financial statements. The Company recognized reinsurance recoveries related to other external reinsurance agreements of \$42,414,444 and \$105,538,426 in 2024 and 2023, respectively, which are netted against benefits under life and accident and health contracts in the financial statements. Ceded premium payables were \$9,982,658 and \$22,952,053 for 2024 and 2023, respectively. In addition, reinsurance recoverables related to external reinsurance agreements of \$10,821,573 and \$19,122,604 for paid losses are recorded as amounts recoverable from reinsurers and \$14,231,734 and \$2,332,063 for unpaid losses are recorded as a reinsurance in 2024 and 2023, respectively, in the financial statements.

The effect of both internal and external reinsurance agreements outlined above on premiums for life and accident and health contracts, benefits under life and accident and health contracts, commissions and expense allowances on reinsurance assumed, and commissions and expense allowances on reinsurance ceded is presented below:

	<b>2024</b>	<b>2023</b>
Premiums for life and accident and health contracts:		
Direct	\$ 53,073,388,888	\$ 43,932,481,057
Assumed:		
Affiliate	3,565,235,596	3,375,353,191
Nonaffiliate	65,162,638	126,512,262
Ceded:		
Affiliate	(2,129,514)	(616,610)
Nonaffiliate	(2,122,187,017)	(2,119,363,071)
	<u>\$ 54,579,470,591</u>	<u>\$ 45,314,366,829</u>
Net premiums for life and accident and health contracts		
Direct	\$ 44,723,596,784	\$ 36,567,699,265
Assumed:		
Affiliate	2,940,040,326	2,751,621,271
Nonaffiliate	55,150,674	103,832,571
Ceded:		
Affiliate	(1,324,705)	(133,936)
Nonaffiliate	(1,862,402,784)	(1,860,189,212)
	<u>\$ 45,855,060,295</u>	<u>\$ 37,562,829,959</u>
Net benefits under life and accident and health contracts		
Commissions and expense allowances on reinsurance assumed:		
Affiliate	\$ 366,922,537	\$ 365,918,477
NonAffiliate	114,756	119,702
	<u>\$ 367,037,293</u>	<u>\$ 366,038,179</u>
Total commissions and expense allowances on reinsurance assumed		
Commissions and expense allowances on reinsurance ceded:		
Affiliate	\$ —	\$ —
NonAffiliate	218,095,698	219,467,716
	<u>\$ 218,095,698</u>	<u>\$ 219,467,716</u>
Total commissions and expense allowances on reinsurance ceded		

## 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?

Yes (X) No ( )

- (2) Does the reporting entity have any reinsurance agreements in effect 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 in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2024.

- (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** — During 2024 and 2023, there were no uncollectible reinsurance recoverables.

**C. Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2024 or 2023.

**D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation** — Not applicable.

**E–G. Affiliated Captive Reinsurers** — Not applicable.

### H. Reinsurance Credit

- (1) The Company has no ceding reinsurance contracts subject to APPENDIX A-791 – *Life and Health Reinsurance Agreements* (“A-791”) that includes a provision which limits the reinsurer’s assumption of significant risk.
- (2) The Company has no ceding reinsurance contracts not subject to A-791, for which reinsurance accounting was applied and which includes provisions that limit the reinsurer’s assumption of risk.
- (3) The Company’s reinsurance contracts do not contain features which result in delays in payment in form or in fact.
- (4) The Company has not reflected a reinsurance accounting credit for any assumption reinsurance contracts not subject to APPENDIX A-791 and not yearly renewable term, which meet the risk

transfer requirements of Statement of Statutory Accounting Principles No. 61R, *Life, Deposit-Type, and Accident and Health Reinsurance*.

- (5) The Company did not cede any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract during the period covered by these financial statements, for which the statutory accounting treatment and generally accepted accounting principles accounting treatment were not the same.
- (6) The Company's ceded reinsurance contracts which are not subject to A-791 and not yearly renewable term reinsurance, are treated the same for generally accepted accounting principles and statutory accounting principles.

#### **24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

- A. The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.
- B. Estimated accrued retrospective premiums due to (from) the Company are recorded in premiums and considerations or provision for experience rating refunds in the financial statements and as an adjustment to premiums for life and accident and health contracts in the financial statements.
- C. Pursuant to the Affordable Care Act, the Company's commercial and Medicare business is subject to retrospectively rated features based on the actual medical loss ratio experienced on the commercial and Medicare lines of business and redetermination features for premium adjustments for changes to each member's health scores based on guidelines determined by the Affordable Care Act. The total amount of direct premiums for life and accident and health contracts for which a portion is subject to the retrospectively rated and redetermination features are \$23,171,911,943 and \$21,197,561,021 for commercial, and \$6,314,089,052 and \$4,003,699,560 for Medicare, representing 44% and 48% for commercial, and 12% and 9% for Medicare of total direct premiums for life and accident and health contracts as of December 31, 2024 and 2023 respectively.

The Company has Medicare Part D risk-corridor amounts from the Centers for Medicare and Medicaid Services which are subject to a retrospectively rated feature. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by the Centers for Medicare and Medicaid Services. The formula is tiered and based on the bid medical loss ratio. The amount of Medicare Part D direct premiums subject to the retrospectively rated feature was \$2,937,185,565 and \$1,904,532,383, representing 6% and 4% of total direct premiums for life and accident and health contracts as of December 31, 2024 and 2023, respectively.

Pursuant to the regulations of the Medicaid Managed Care Rule regulations, premiums associated with the Company's Medicaid line of business is subject to retrospectively rated features based on the actual medical loss ratio experienced on this product. The calculation is pursuant to the Medicaid Managed Care guidance. The Company also has recorded risk-corridor amounts from the state Medicaid agencies which are subject to a retrospectively rated feature. The Company has estimated accrued retrospective premium adjustments based on the risk-corridor tier guidelines included in the contracts. The total amount of direct premiums for the Medicaid line of business for which a portion is subject to the retrospectively rated and redetermination features was \$3,241,863,376 and \$2,355,226,732, representing 6% and 5% of total direct premiums for life and accident and health contracts as of December 31, 2024 and December 31, 2023, respectively.

The Company maintains an RSF for the Medicare Supplement Program (see Note 1). The Medicare Supplement Program direct premiums subject to the retrospective rating was \$11,907,668,119 and \$11,032,673,288, representing 22% and 25% of total direct premiums for life and accident and health contracts for 2024 and 2023, respectively.

During 2024 and 2023, the Company contracted with the federal government through the Office of Personnel Management to administer the Federal Employee Health Benefit Plan. The Company is subject to rate adjustments through audits by the Office of Personnel Management. The amount of direct premiums subject to retrospectively rated features was \$597,831,956 and \$528,036,974 as of December 31, 2024 and 2023, respectively, representing 1% of total direct premiums for life and accident and health contracts for both years.

In addition to the above agreements, the Company has other contracts with retrospective rating features. The amount of premiums subject to retrospective rating was approximately \$168,250,508

and \$176,265,575 as of December 31, 2024 and 2023 respectively, representing less than 1% of total direct premiums for life and accident and health contracts for both years.

- D. The Company is required to maintain specific minimum medical loss ratios on the comprehensive commercial and Medicare lines of business. The following table discloses the minimum medical loss ratio rebate liability for the comprehensive commercial and Medicare lines of business which is included in provision for experience rating refunds in the financial statements for the years ended December 31, 2024 and 2023:

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior reporting year					
(1) Medical loss ratio rebates incurred	\$ 33,935,441	\$ 54,880,907	\$ 40,226,810	\$ 15,676	\$ 129,058,834
(2) Medical loss ratio rebates paid	9,034,080	39,425,822	26,625,792	65,528,039	140,613,733
(3) Medical loss rebates unpaid	31,399,394	49,689,687	33,157,647	—	114,246,728
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	4
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	114,246,732
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	156,870,617	69,347,563	31,202,798	8,974,329	266,395,307
(8) Medical loss ratio rebates paid	43,164,799	54,844,528	33,864,436	2,993	131,876,756
(9) Medical loss rebates unpaid	145,105,212	64,192,722	30,496,009	8,971,336	248,765,279
(10) Plus reinsurance assumed	XXX	XXX	XXX	XXX	3,270,791
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	252,036,070

Pursuant to the Medicaid Managed Care Rule, based on the various states election and contractual minimum medical loss ratio requirements, the Company is required to maintain specific minimum loss ratios on its Medicaid populations. The Company has estimated \$25,672,281 and \$0 in estimated Medicaid Managed Care Rule and state medical loss ratio rebates on its New Mexico Medicaid population as of December 31, 2024 and December 31, 2023, respectively, which is included in provision for experience rating refunds in the financial statements.

E. **Risk-Sharing Provisions of the Affordable Care Act**

- (1) The Company has accident and health insurance premiums in 2024 and 2023 subject to the Affordable Care Act risk-sharing provisions for the permanent risk adjustment program.

The risk adjustment program is a permanent program designed to mitigate the potential impact of adverse selection that generally applies to non-grandfathered individual and small group plans inside and outside of exchanges. The program helps to stabilize market premiums by transferring funds from plans with relatively low-risk enrollees to plans with relatively high-risk enrollees. The data used by the Centers for Medicare and Medicaid Services to determine the risk adjustment transfer amount is subject to audits along with the true-up to the final Centers for Medicare and Medicaid Services report, which may result in a material change to arrive at the final risk adjustment amount from the initial risk adjustment estimate recorded. Premium adjustments pursuant to the risk adjustment program are accounted for as premium subject to redetermination and user fees are accounted for as assessments.

(2) The following table presents the current year impact for the permanent risk adjustment program regarding the risk-sharing provisions of the Affordable Care Act on assets, liabilities, and operations:

<b>a. Permanent ACA Risk Adjustment Program</b>		<b>2024</b>
<u>Assets</u>		
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	\$	167,873,911
<u>Liabilities</u>		
2. Risk adjustment user fees payable for ACA Risk Adjustment		2,095,202
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium)		521,345,170
<u>Operations (Revenue &amp; Expense)</u>		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		(315,910,630)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)		2,185,504

(3) The following table is a roll forward of the prior year Affordable Care Act risk-sharing provisions for the permanent risk adjustment program for asset and liability balances, along with reasons for adjustments to prior year balances:

	Accrued During the Prior Year on Business Written before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustment receivable (including high risk pool payments)	\$ 117,879,009	\$ —	\$ 108,701,362	\$ —	\$ 9,177,647	\$ —	\$ (737,884)	\$ —	A	\$ 8,439,763	\$ —
2. Premium adjustment (payable) (including high risk pool premium)	—	(311,675,117)	—	(264,937,641)	—	(46,737,476)	—	38,015,065	B	—	(8,722,411)
3. Total ACA Permanent Risk Adjustment Program	\$ 117,879,009	\$ (311,675,117)	\$ 108,701,362	\$ (264,937,641)	\$ 9,177,647	\$ (46,737,476)	\$ (737,884)	\$ 38,015,065		\$ 8,439,763	\$ (8,722,411)

The risk adjustment receivable as of December 31, 2023 utilized paid claims through October 31, 2023. As of the Reporting Date, the risk adjustment receivable related to prior periods was adjusted based on CMS' Summary Report on Individual and Small Group Market Risk Transfers for the 2023 Benefit Year. The risk adjustment receivable was further adjusted based on CMS' Summary Report of 2022 Benefit Year Risk Adjustment Data Validation (HHS-RADV) Adjustments to Risk Adjustment State Transfers.

A.

The risk adjustment payable as of December 31, 2023 utilized paid claims through October 31, 2023. As of the Reporting Date, the risk adjustment payable related to prior periods was adjusted based on CMS' Summary Report on Individual and Small Group Market Risk Transfers for the 2023 Benefit Year. The risk adjustment payable was further adjusted based on CMS' Summary Report of 2022 Benefit Year Risk Adjustment Data Validation (HHS-RADV) Adjustments to Risk Adjustment State Transfers.

B.

## 25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

- A. This disclosure only relates to accident and health contracts. The reserve for life and annuity contracts is included in a separate disclosure (see Note 31). The disclosure for loss adjustment expenses is included in Note 36.

Changes in estimates related to the prior year incurred claims are included in benefits under life and accident and health insurance contracts in the current year in the financial statements. The following table summarizes changes in aggregate reserve for accident and health contracts and contract claims for accident and health policies for the years ended December 31, 2024 and 2023:

	2024	2023
Unpaid claim reserve for accident and health and contract claims for accident and health policies at January 1	\$ 5,210,792,704	\$ 5,012,165,454
Incurred benefits* related to:		
Current Year	46,509,054,749	37,648,706,093
Prior Year	(501,117,788)	(593,495,463)
Total incurred	46,007,936,961	37,055,210,630
Paid claims* related to:		
Current Year	40,331,465,736	32,694,816,855
Prior Year	4,455,937,366	4,161,766,525
Total paid	44,787,403,102	36,856,583,380
Unpaid aggregate reserves for accident and health and contract claims for accident and health policies at December 31	6,431,326,563	5,210,792,704
Active life reserves	838,994,025	800,569,681
Unearned premium reserve	411,056,886	351,649,798
Premium deficiency reserves	—	462,848,302
Contracts subject to redetermination	535,533,225	333,608,043
Total aggregate reserve for accident and health and contract claims for accident and health policies	\$ 8,216,910,699	\$ 7,159,468,528

\*Includes the impact of the change in health care receivable and reinsurance recoverable activity and corresponding collections as of December 31, 2024 and December 31, 2023.

The liability for unpaid claim reserves for accident and health contracts and contract claims for accident and health policies as of December 31, 2023 was \$5,210,792,704. As of December 31, 2024 \$4,455,937,366 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now \$253,737,550 as a result of re-estimation of unpaid claims. Therefore, there has been \$501,117,788 favorable prior-year development since December 31, 2023, to December 31, 2024. The primary drivers of the favorable development include better than expected actual claims experience and changes to provider settlement reserves. At December 31, 2023, the Company recorded \$593,495,463 of favorable development related to better than expected actual claims experience and changes to provider settlement reserves. Original estimates are increased or decreased, as additional information becomes known regarding individual claims, which could have an impact to the accruals for medical loss ratio rebates and retrospectively rated contracts. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability

and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of premiums for life, accident, and health contracts in the financial statements.

- B.** The Company did not make any significant changes in methodologies and assumptions used in the calculation of aggregate reserve for accident and health contracts and contract claims for accident and health policies in 2024.

**26. INTERCOMPANY POOLING ARRANGEMENTS**

**A–G.** The Company did not have any intercompany pooling arrangements in 2024 or 2023.

**27. STRUCTURED SETTLEMENTS**

**A–B.** The Company did not have structured settlements in 2024 or 2023.

**28. HEALTH CARE AND OTHER AMOUNTS RECEIVABLE**

- A.** Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted and excluded all pharmacy rebates receivable that do not meet the admissibility criteria of Statement of Statutory Accounting Principles No. 84, *Health Care and Government Insured Plan Receivables* from the financial statements.

For each pharmaceutical management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria of Statement of Statutory Accounting Principles No. 84, *Health Care and Government Insured Plan Receivables*, the pharmacy rebate transaction history is summarized as follows:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
12/31/2024	\$ 1,913,688,958	\$ 618,903,850	\$ —	\$ —	—
9/30/2024	1,928,089,880	1,949,677,442	1,139,044,747	—	—
6/30/2024	1,771,351,997	1,826,999,587	1,234,733,094	481,599,272	—
3/31/2024	1,677,977,869	1,709,258,512	1,148,834,213	477,829,035	37,488,818
12/31/2023	1,824,263,134	1,825,164,294	1,448,592,084	338,722,408	26,710,199
9/30/2023	1,823,939,945	1,787,377,241	1,429,876,011	331,222,467	35,046,106
6/30/2023	1,797,644,518	1,758,227,800	1,432,185,353	312,718,962	27,691,368
3/31/2023	1,711,175,082	1,692,962,725	1,250,422,966	424,113,152	21,386,554
12/31/2022	1,529,387,322	1,516,365,359	1,169,312,446	322,625,619	24,475,760
9/30/2022	1,516,874,688	1,513,012,130	1,232,636,854	248,754,599	32,995,073
6/30/2022	1,494,345,558	1,497,168,528	1,196,872,317	258,783,404	44,528,810
3/31/2022	1,452,510,725	1,448,908,032	1,124,255,986	276,695,594	48,881,486

Of the amount reported as health care and other amounts receivable, \$2,441,445,416 and \$2,176,896,098 relate to pharmacy rebates receivable as of December 31, 2024 and 2023, respectively. This change is primarily due to increased membership along with the change in generic/name brand mix. An additional \$226,938,045 and \$281,643,207 of pharmacy rebate administrative services only receivable is included in amounts receivable relating to uninsured plans as of December 31, 2024 and 2023, respectively.

B. The Company has nonadmitted all risk-sharing receivables from the financial statements.

**29. PARTICIPATING POLICIES**

The Company did not have any participating contracts in 2024 or 2023.

**30. PREMIUM DEFICIENCY RESERVES**

The following table summarizes the Company's premium deficiency reserves as of December 31, 2024 and 2023:

	<b>2024</b>
1. Liability carried for premium deficiency reserves	\$ —
2. Date of the most recent evaluation of this liability	<u>12/31/2024</u>
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	<b>2023</b>
1. Liability carried for premium deficiency reserves	\$ 462,848,302
2. Date of the most recent evaluation of this liability	<u>12/31/2023</u>
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Premium deficiency reserves are included in aggregate reserves for life, accident and health contracts in the financial statements.

**31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS**

(1-6) The Company's group term life insurance may include a portability option in the policy, whereby an eligible employee may continue coverage as part of a group policy, rather than conversion to an individual policy. For policies under the portability provision, basic, deficiency, and conversion reserves are established. Basic and conversion reserves are based on the Commissioners 1980 Standard Ordinary Mortality ("1980 CSO") table at 4% interest, utilizing permissible select and ultimate factors. The basic reserve is developed as the present value of future benefits minus the present value of future valuation net premiums. The deficiency reserves are based on the premium deficiency that develops from calculation of a net level premium using the 1980 CSO, compared to billed premiums in force on the policies. The conversion reserve develops from comparison of experience mortality from a similar block of policies with a 100% margin added for conservatism to actual expected claims. There are no surrender values associated with these products.

Reserves for premium waivers for individuals who have become disabled and for whom the Company will provide group life insurance coverage without charge are calculated in accordance with the 1970 Intercompany Disability Table for disabilities occurring prior to January 1, 2009, the 2005 SOA Group Term Life Waiver of Premium Tables for disabilities occurring between January 1, 2009 and December 31, 2022, and the 2022 SOA Group Term Life Waiver of Premium Tables for disabilities occurring on or after January 1, 2023.

Tabular Interest has been determined by formulas as prescribed by the National Association of Insurance Commissioners. The Tabular Less Actual Reserve Released has been determined by formula as prescribed by the National Association of Insurance Commissioners. Tabular Cost has been determined by a formula as prescribed by the National Association of Insurance Commissioners.

**32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT-TYPE CONTRACT LIABILITIES BY WITHDRAWAL CHARACTERISTICS**

A-B. The Company does not have any annuity actuarial reserves as of December 31, 2024 and 2023.

**C. Deposit-Type Contracts (no life contingencies):**

At December 31, 2024 and 2023, total deposit-type contract funds, and other liabilities without life or disability contingencies by withdrawal characteristics are as follows:

2024					
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ —	\$ —	\$ —	\$ —	— %
b. At book value less current surrender charge of 5% or more	—	—	—	—	— %
c. At fair value	—	—	—	—	— %
d. Total with market value adjustment or at fair value (total of a through c)	—	—	—	—	— %
e. At book value without adjustment (minimal or no charge or adjustment)	196,234,339	—	—	196,234,339	100 %
(2) Not subject to discretionary withdrawal	—	—	—	—	— %
(3) Total (gross: direct + assumed)	196,234,339	—	—	196,234,339	100 %
(4) Reinsurance ceded	—	—	—	—	
(5) Total (net) (3) - (4)	<u>\$196,234,339</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$196,234,339</u>	
(6) Amount included in A(1)b above that will move to A(1)e for the first time within the year after the statement date:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	
2023					
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ —	\$ —	\$ —	\$ —	— %
b. At book value less current surrender charge of 5% or more	—	—	—	—	— %
c. At fair value	—	—	—	—	— %
d. Total with market value adjustment or at fair value (total of a through c)	—	—	—	—	— %
e. At book value without adjustment (minimal or no charge or adjustment)	271,667,352	—	—	271,667,352	100 %
(2) Not subject to discretionary withdrawal	—	—	—	—	— %
(3) Total (gross: direct + assumed)	271,667,352	—	—	271,667,352	100 %
(4) Reinsurance ceded	—	—	—	—	
(5) Total (net) (3) - (4)	<u>\$271,667,352</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$271,667,352</u>	
(6) Amount included in A(1)b above that will move to A(1)e for the first time within the year after the statement date:	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	

- D. A reconciliation of annuity reserves and deposit-type contract liabilities to Aggregate Reserves for Life Policies and Contracts Exhibit and Deposit Funds and Other Liabilities without Life or Disability Contingencies Exhibit, of the Life, Accident and Health Annual Statement and the corresponding lines in the Separate Accounts Statement, are as follows:

	2024	2023
Life Accident & Health Annual Statement		
(1) Exhibit 5, Annuities Section, Total (net)	\$ —	\$ —
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	—	—
(3) Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	<u>196,234,339</u>	<u>271,667,352</u>
(4) Subtotal	<u>196,234,339</u>	<u>271,667,352</u>
Separate Accounts Annual Statement		
(5) Exhibit 3, Line 0299999, Column 2	—	—
(6) Exhibit 3, Line 0399999, Column 2	—	—
(7) Policyholder dividend and coupon accumulations	—	—
(8) Policyholder premiums	—	—
(9) Guaranteed interest contracts	—	—
(10) Other contract deposit funds	<u>—</u>	<u>—</u>
(11) Subtotal	<u>—</u>	<u>—</u>
(12) Combined Total	<u>\$196,234,339</u>	<u>\$271,667,352</u>

### 33. ANALYSIS OF LIFE ACTUARIAL RESERVES BY WITHDRAWAL CHARACTERISTICS

- A–D. The Company does not have any life actuarial reserves with withdrawal characteristics as of December 31, 2024 and 2023.

### 34. PREMIUMS AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

- A. Deferred and uncollected group life insurance premiums, gross and net of loading, were as follows:

Type	2024		2023	
	Gross	Net of Loading	Gross	Net of Loading
(1) Industrial	\$ —	\$ —	\$ —	\$ —
(2) Ordinary new business	—	—	—	—
(3) Ordinary renewal	—	—	—	—
(4) Credit life	—	—	—	—
(5) Group life	7,338,877	7,338,877	7,059,639	7,059,639
(6) Group annuity	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
(7) Totals	<u>\$ 7,338,877</u>	<u>\$ 7,338,877</u>	<u>\$ 7,059,639</u>	<u>\$ 7,059,639</u>

### 35. SEPARATE ACCOUNTS

- A–C. The Company does not have separate account business as of December 31, 2024 and 2023.

**36. LOSS/CLAIM ADJUSTMENT EXPENSES**

**A.** The following table summarizes changes in unpaid claims adjustment expenses for the years ended December 31, 2024 and 2023, which are included in general expenses due or accrued in the financial statements:

	<b>2024</b>	<b>2023</b>
Unpaid claims adjustment expenses — January 1	\$ 55,465,938	\$ 53,726,795
Incurred claims adjustment expenses related to:		
Current year	1,675,607,572	1,641,122,985
Prior years	<u>(18,054,049)</u>	<u>(25,870,718)</u>
Total incurred	<u>1,657,553,523</u>	<u>1,615,252,267</u>
Paid claims adjustment expenses related to:		
Current year	1,481,566,752	1,431,318,675
Prior years	<u>163,687,794</u>	<u>182,194,449</u>
Total paid	<u>1,645,254,546</u>	<u>1,613,513,124</u>
Unpaid claims adjustment expenses — December 31	<u>\$ 67,764,915</u>	<u>\$ 55,465,938</u>

**B.** The Company did not make any significant changes in methodologies and assumptions used in the calculation of unpaid claims adjustment expense in 2024.

Due to the type of business being written with these licenses, the Company has no salvage. As of December 31, 2024 and 2023, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of incurred but not yet reported claims.

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## **SUPPLEMENTAL SCHEDULES**

**EXHIBIT I: SUPPLEMENTAL INVESTMENT  
RISKS INTERROGATORIES**



# SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For The Year Ended December 31, 2024  
(To Be Filed by April 1)

Of The UnitedHealthcare Insurance Company.....  
 ADDRESS (City, State and Zip Code) Hartford , CT 06103-3408 .....  
 NAIC Group Code 0707 ..... NAIC Company Code 79413 ..... Federal Employer's Identification Number (FEIN) 36-2739571 .....

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

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

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. ....\$ ..... 21,621,021,102

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

	1	2	3	4
	Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
2.01	UHC Liquidity Pool	Cash Equivalents	\$ 1,735,437,517	8.0 %
2.02	Oxford Health Insurance, Inc Common Stock	Common Stocks	\$ 1,617,578,214	7.5 %
2.03	FNMA	Bonds	\$ 887,579,807	4.1 %
2.04	UnitedHealthcare Ins Co of NY Common Stock	Common Stocks	\$ 618,632,157	2.9 %
2.05	FFC	Bonds	\$ 501,036,225	2.3 %
2.06	UnitedHealthcare Ins Co of IL Common Stock	Common Stocks	\$ 248,564,106	1.1 %
2.07	UnitedHealthcare of New Mexico, Inc Common Stock	Common Stocks	\$ 95,139,953	0.4 %
2.08	MORGAN STANLEY	Bonds	\$ 74,204,648	0.3 %
2.09	JPMORGAN CHASE	Bonds	\$ 70,953,666	0.3 %
2.10	Bank of America	Bonds and Preferred Stocks	\$ 68,994,849	0.3 %

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

	Bonds	1	2	Preferred Stocks	3	4
3.01	NAIC 1	\$ 6,670,145,452	30.9 %	3.07 NAIC 1	\$ 0	0.0 %
3.02	NAIC 2	\$ 1,490,793,460	6.9 %	3.08 NAIC 2	\$ 17,819,579	0.1 %
3.03	NAIC 3	\$ 692,716,557	3.2 %	3.09 NAIC 3	\$ 3,721,395	0.0 %
3.04	NAIC 4	\$ 232,081,502	1.1 %	3.10 NAIC 4	\$ 0	0.0 %
3.05	NAIC 5	\$ 4,171,655	0.0 %	3.11 NAIC 5	\$ 0	0.0 %
3.06	NAIC 6	\$ 15	0.0 %	3.12 NAIC 6	\$ 0	0.0 %

4. Assets held in foreign investments:

4.01	Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets?	Yes [ ] No [ X ]
If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.		
4.02	Total admitted assets held in foreign investments	\$ 715,116,267 3.3 %
4.03	Foreign-currency-denominated investments	\$ 0 0.0 %
4.04	Insurance liabilities denominated in that same foreign currency	\$ 0 0.0 %

SUPPLEMENT FOR THE YEAR 2024 OF THE UnitedHealthcare Insurance Company

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

	1	2
5.01 Countries designated NAIC-1 .....	\$ .....676,303,861	..... 3.1 %
5.02 Countries designated NAIC-2 .....	\$ ..... 27,691,333	..... 0.1 %
5.03 Countries designated NAIC-3 or below .....	\$ ..... 11,121,073	..... 0.1 %

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

	1	2
Countries designated NAIC - 1:		
6.01 Country 1: CAYMAN ISLANDS .....	\$ .....162,525,657	..... 0.8 %
6.02 Country 2: UNITED KINGDOM .....	\$ .....112,788,002	..... 0.5 %
Countries designated NAIC - 2:		
6.03 Country 1: PANAMA .....	\$ ..... 11,218,792	..... 0.1 %
6.04 Country 2: MEXICO .....	\$ ..... 8,443,071	..... 0.0 %
Countries designated NAIC - 3 or below:		
6.05 Country 1: BARBADOS .....	\$ ..... 7,007,445	..... 0.0 %
6.06 Country 2: GIBRALTAR .....	\$ ..... 3,037,628	..... 0.0 %

	1	2
7. Aggregate unhedged foreign currency exposure .....	\$ .....0	..... 0.0 %

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

	1	2
8.01 Countries designated NAIC-1 .....	\$ .....0	..... 0.0 %
8.02 Countries designated NAIC-2 .....	\$ .....0	..... 0.0 %
8.03 Countries designated NAIC-3 or below .....	\$ .....0	..... 0.0 %

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

	1	2
Countries designated NAIC - 1:		
9.01 Country 1: .....	\$ .....0	..... 0.0 %
9.02 Country 2: .....	\$ .....0	..... 0.0 %
Countries designated NAIC - 2:		
9.03 Country 1: .....	\$ .....0	..... 0.0 %
9.04 Country 2: .....	\$ .....0	..... 0.0 %
Countries designated NAIC - 3 or below:		
9.05 Country 1: .....	\$ .....0	..... 0.0 %
9.06 Country 2: .....	\$ .....0	..... 0.0 %

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

	1 Issuer	2 NAIC Designation	3	4
10.01	UBS GROUP AG .....	1	\$ .....25,552,147	..... 0.1 %
10.02	HSBC BANK USA NA .....	1	\$ ..... 16,789,066	..... 0.1 %
10.03	Trafigura Securitisation Finan - TRFIG 2024-1A .....	1	\$ ..... 15,983,716	..... 0.1 %
10.04	BNP PARIBAS .....	1,2	\$ ..... 15,982,508	..... 0.1 %
10.05	LLOYDS BANKING GROUP PLC .....	1	\$ ..... 15,941,903	..... 0.1 %
10.06	Blackrock Rainier CLO Ltd - BLKMM 2021-6A .....	1	\$ ..... 11,800,000	..... 0.1 %
10.07	STANDARD CHARTERED PLC .....	1	\$ ..... 11,161,633	..... 0.1 %
10.08	Mizuho Bank .....	1	\$ ..... 11,073,853	..... 0.1 %
10.09	DEUTSCHE BANK NY .....	2	\$ ..... 10,905,916	..... 0.1 %
10.10	JAZZ INVESTMENTS I LTD .....	3	\$ ..... 10,833,850	..... 0.1 %

SUPPLEMENT FOR THE YEAR 2024 OF THE UnitedHealthcare Insurance Company

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

11.01	Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? .....	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If response to 11.01 is yes, detail is not required for the remainder of interrogatory 11.					
		1		2	
11.02	Total admitted assets held in Canadian investments .....	\$	0		0.0 %
11.03	Canadian-currency-denominated investments .....	\$	0		0.0 %
11.04	Canadian-denominated insurance liabilities .....	\$	0		0.0 %
11.05	Unhedged Canadian currency exposure .....	\$	0		0.0 %

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

12.01	Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? .....	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.					
		1		2	3
12.02	Aggregate statement value of investments with contractual sales restrictions .....	\$	0		0.0 %
Largest three investments with contractual sales restrictions:					
12.03	.....	\$	0		0.0 %
12.04	.....	\$	0		0.0 %
12.05	.....	\$	0		0.0 %

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

13.01	Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.					
		1		2	3
		Issuer			
13.02	Oxford Health Insurance, Inc Common Stock .....	\$	1,617,578,214		7.5 %
13.03	UnitedHealthcare Ins Co of NY Common Stock .....	\$	618,632,157		2.9 %
13.04	UnitedHealthcare Ins Co of IL Common Stock .....	\$	248,564,106		1.1 %
13.05	UnitedHealthcare of New Mexico, Inc Common Stock .....	\$	95,139,953		0.4 %
13.06	Unimerica Life Ins Co of New York Common Stock .....	\$	27,465,934		0.1 %
13.07	Community Solutions Fund .....	\$	22,481,017		0.1 %
13.08	HEALTHY NEIGHBORHOOD .....	\$	15,887,601		0.1 %
13.09	BlackRock Impact Fund .....	\$	13,710,675		0.1 %
13.10	Aligned Climate Capital .....	\$	6,530,324		0.0 %
13.11	Bank of America .....	\$	5,852,400		0.0 %

**SUPPLEMENT FOR THE YEAR 2024 OF THE UnitedHealthcare Insurance Company**

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

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

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

	1	2	3
14.02 Aggregate statement value of investments held in nonaffiliated, privately placed equities .....	\$ .....	0	0.0 %
Largest three investments held in nonaffiliated, privately placed equities:			
14.03 .....	\$ .....	0	0.0 %
14.04 .....	\$ .....	0	0.0 %
14.05 .....	\$ .....	0	0.0 %

Ten largest fund managers:

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

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

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

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

	1	2	3
15.02 Aggregate statement value of investments held in general partnership interests .....	\$ .....	0	0.0 %
Largest three investments in general partnership interests:			
15.03 .....	\$ .....	0	0.0 %
15.04 .....	\$ .....	0	0.0 %
15.05 .....	\$ .....	0	0.0 %

**SUPPLEMENT FOR THE YEAR 2024 OF THE UnitedHealthcare Insurance Company**

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

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

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

	1	2	3
	Type (Residential, Commercial, Agricultural)		
16.02		\$ 0	0.0 %
16.03		\$ 0	0.0 %
16.04		\$ 0	0.0 %
16.05		\$ 0	0.0 %
16.06		\$ 0	0.0 %
16.07		\$ 0	0.0 %
16.08		\$ 0	0.0 %
16.09		\$ 0	0.0 %
16.10		\$ 0	0.0 %
16.11		\$ 0	0.0 %

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

		Loans	
16.12	Construction loans	\$ 0	0.0 %
16.13	Mortgage loans over 90 days past due	\$ 0	0.0 %
16.14	Mortgage loans in the process of foreclosure	\$ 0	0.0 %
16.15	Mortgage loans foreclosed	\$ 0	0.0 %
16.16	Restructured mortgage loans	\$ 0	0.0 %

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

Loan to Value	Residential		Commercial		Agricultural	
	1	2	3	4	5	6
17.01 above 95%.....	\$ 0	0.0 %	\$ 0	0.0 %	\$ 0	0.0 %
17.02 91 to 95%.....	\$ 0	0.0 %	\$ 0	0.0 %	\$ 0	0.0 %
17.03 81 to 90%.....	\$ 0	0.0 %	\$ 0	0.0 %	\$ 0	0.0 %
17.04 71 to 80%.....	\$ 0	0.0 %	\$ 0	0.0 %	\$ 0	0.0 %
17.05 below 70%.....	\$ 0	0.0 %	\$ 0	0.0 %	\$ 0	0.0 %

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

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

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

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

	Description	1	2	3
18.02		\$ 0	0.0 %	
18.03		\$ 0	0.0 %	
18.04		\$ 0	0.0 %	
18.05		\$ 0	0.0 %	
18.06		\$ 0	0.0 %	

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

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

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

	1	2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loans: .....	\$ 0	0.0 %
	Largest three investments held in mezzanine real estate loans:		
19.03		\$ 0	0.0 %
19.04		\$ 0	0.0 %
19.05		\$ 0	0.0 %

SUPPLEMENT FOR THE YEAR 2024 OF THE UnitedHealthcare Insurance Company

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

	At Year End		1st Quarter 3	At End of Each Quarter		3rd Quarter 5
	1	2		2nd Quarter 4		
20.01 Securities lending agreements (do not include assets held as collateral for such transactions) \$ .....	0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0
20.02 Repurchase agreements .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0
20.03 Reverse repurchase agreements .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0
20.04 Dollar repurchase agreements .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0
20.05 Dollar reverse repurchase agreements .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0

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

	Owned			Written	
	1	2	3	4	5
21.01 Hedging .....	\$ 0	0.0 %	\$ 0	0.0 %	
21.02 Income generation .....	\$ 0	0.0 %	\$ 0	0.0 %	
21.03 Other .....	\$ 0	0.0 %	\$ 0	0.0 %	

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

	At Year End		1st Quarter 3	At End of Each Quarter		3rd Quarter 5
	1	2		2nd Quarter 4		
22.01 Hedging .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0
22.02 Income generation .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0
22.03 Replications .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0
22.04 Other .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0

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

	At Year End		1st Quarter 3	At End of Each Quarter		3rd Quarter 5
	1	2		2nd Quarter 4		
23.01 Hedging .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0
23.02 Income generation .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0
23.03 Replications .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0
23.04 Other .....	\$ 0	0.0 %	\$ 0	\$ 0	\$ 0	\$ 0

**EXHIBIT II: SUMMARY  
INVESTMENT SCHEDULE**

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage of Column 1 Line 13	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage of Column 5 Line 13
1. Long-Term Bonds (Schedule D, Part 1):						
1.01 U.S. governments .....	773,978,923	5.618	773,978,923	0	773,978,923	5.618
1.02 All other governments .....	17,202,452	0.125	17,202,452	0	17,202,452	0.125
1.03 U.S. states, territories and possessions, etc. guaranteed .....	141,739,046	1.029	141,739,046	0	141,739,046	1.029
1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed .....	152,501,259	1.107	152,501,259	0	152,501,259	1.107
1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed .....	2,391,121,567	17.355	2,391,121,567	0	2,391,121,567	17.355
1.06 Industrial and miscellaneous .....	4,644,326,201	33.708	4,644,326,201	0	4,644,326,201	33.708
1.07 Hybrid securities .....	183,352,185	1.331	183,352,185	0	183,352,185	1.331
1.08 Parent, subsidiaries and affiliates .....	0	0.000	0	0	0	0.000
1.09 SVO identified funds .....	0	0.000	0	0	0	0.000
1.10 Unaffiliated bank loans .....	718,535,723	5.215	718,535,723	0	718,535,723	5.215
1.11 Unaffiliated certificates of deposit .....	0	0.000	0	0	0	0.000
1.12 Total long-term bonds .....	9,022,757,356	65.487	9,022,757,356	0	9,022,757,356	65.487
2. Preferred stocks (Schedule D, Part 2, Section 1):						
2.01 Industrial and miscellaneous (Unaffiliated) .....	21,540,974	0.156	21,540,974	0	21,540,974	0.156
2.02 Parent, subsidiaries and affiliates .....	0	0.000	0	0	0	0.000
2.03 Total preferred stocks .....	21,540,974	0.156	21,540,974	0	21,540,974	0.156
3. Common stocks (Schedule D, Part 2, Section 2):						
3.01 Industrial and miscellaneous Publicly traded (Unaffiliated) .....	0	0.000	0	0	0	0.000
3.02 Industrial and miscellaneous Other (Unaffiliated) .....	0	0.000	0	0	0	0.000
3.03 Parent, subsidiaries and affiliates Publicly traded .....	0	0.000	0	0	0	0.000
3.04 Parent, subsidiaries and affiliates Other .....	2,607,380,364	18.924	2,607,380,364	0	2,607,380,364	18.924
3.05 Mutual funds .....	0	0.000	0	0	0	0.000
3.06 Unit investment trusts .....	0	0.000	0	0	0	0.000
3.07 Closed-end funds .....	0	0.000	0	0	0	0.000
3.08 Exchange traded funds .....	0	0.000	0	0	0	0.000
3.09 Total common stocks .....	2,607,380,364	18.924	2,607,380,364	0	2,607,380,364	18.924
4. Mortgage loans (Schedule B):						
4.01 Farm mortgages .....	0	0.000	0	0	0	0.000
4.02 Residential mortgages .....	0	0.000	0	0	0	0.000
4.03 Commercial mortgages .....	0	0.000	0	0	0	0.000
4.04 Mezzanine real estate loans .....	0	0.000	0	0	0	0.000
4.05 Total valuation allowance .....	0	0.000	0	0	0	0.000
4.06 Total mortgage loans .....	0	0.000	0	0	0	0.000
5. Real estate (Schedule A):						
5.01 Properties occupied by company .....	194,547,655	1.412	194,547,655	0	194,547,655	1.412
5.02 Properties held for production of income .....	27,860,996	0.202	27,860,996	0	27,860,996	0.202
5.03 Properties held for sale .....	0	0.000	0	0	0	0.000
5.04 Total real estate .....	222,408,651	1.614	222,408,651	0	222,408,651	1.614
6. Cash, cash equivalents and short-term investments:						
6.01 Cash (Schedule E, Part 1) .....	(350,007,470)	(2.540)	(350,007,470)	0	(350,007,470)	(2.540)
6.02 Cash equivalents (Schedule E, Part 2) .....	2,019,759,695	14.659	2,019,759,695	0	2,019,759,695	14.659
6.03 Short-term investments (Schedule DA) .....	10,012,674	0.073	10,012,674	0	10,012,674	0.073
6.04 Total cash, cash equivalents and short-term investments .....	1,679,764,899	12.192	1,679,764,899	0	1,679,764,899	12.192
7. Contract loans .....	0	0.000	0	0	0	0.000
8. Derivatives (Schedule DB) .....	0	0.000	0	0	0	0.000
9. Other invested assets (Schedule BA) .....	221,385,374	1.607	221,385,374	0	221,385,374	1.607
10. Receivables for securities .....	2,705,752	0.020	2,705,752	0	2,705,752	0.020
11. Securities Lending (Schedule DL, Part 1).....	0	0.000	0	XXX	XXX	XXX
12. Other invested assets (Page 2, Line 11) .....	0	0.000	0	0	0	0.000
13. Total invested assets	13,777,943,370	100.000	13,777,943,370	0	13,777,943,370	100.000

**EXHIBIT III: SUPPLEMENTAL SCHEDULE OF SELECTED  
FINANCIAL DATA—STATUTORY BASIS**

# UNITEDHEALTHCARE INSURANCE COMPANY

## SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA — STATUTORY BASIS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

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The following is a summary of certain financial data included in other exhibits and schedules and utilized by actuaries in the determination of reserves:

INVESTMENT INCOME EARNED:	
U.S. government bonds	\$ 20,218,059
Other bonds (unaffiliated)	332,673,118
Preferred stocks (unaffiliated)	1,258,099
Common stocks (unaffiliated)	1,406,606
Common stocks of affiliates	949,000,000
Real estate	19,986,506
Cash, cash equivalents and short-term investments	153,512,893
Other invested assets	(30,086,534)
Aggregate write-ins for investment income	23,202,643
GROSS INVESTMENT INCOME	<u>\$ 1,471,171,390</u>
REAL ESTATE OWNED (book value less encumbrances)	\$ 222,408,651
OTHER LONG TERM ASSETS — Statement value	<u>\$ 221,385,374</u>
BONDS AND STOCKS OF PARENTS, SUBSIDIARIES, AND AFFILIATES (book value)	
Common stocks	<u>\$ 2,607,380,364</u>
BONDS, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS BY CLASS AND MATURITY — Bonds by maturity (statement value):	
Due within one year or less	\$ 1,147,225,760
Over one year through five years	4,040,695,858
Over five years through ten years	2,650,631,596
Over ten years through twenty years	819,140,646
Over twenty years	<u>432,214,781</u>
TOTAL BY MATURITY	<u>\$ 9,089,908,641</u>
BONDS AND SHORT-TERM INVESTMENTS BY CLASS — Statement value:	
Class 1	\$ 6,670,145,452
Class 2	1,490,793,460
Class 3	692,716,557
Class 4	232,081,502
Class 5	4,171,655
Class 6	<u>15</u>
TOTAL BY CLASS	<u>\$ 9,089,908,641</u>
TOTAL BONDS PUBLICLY TRADED	<u>\$ 6,095,219,587</u>
TOTAL BONDS PRIVATELY PLACED	<u>\$ 2,994,689,054</u>
PREFERRED STOCKS — Statement value	<u>\$ 21,540,974</u>
COMMON STOCKS — Market value	<u>\$ 2,607,380,364</u>
SHORT-TERM INVESTMENTS (BOOK VALUE)	<u>\$ 10,012,674</u>
CASH OVERDRAFTS	<u>\$ (350,007,470)</u>

# UNITEDHEALTHCARE INSURANCE COMPANY

## SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL DATA — STATUTORY BASIS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

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### LIFE INSURANCE IN FORCE

Group life	<u>\$ 124,955,952,851</u>
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### LIFE INSURANCE POLICIES WITH DISABILITY PROVISIONS IN FORCE

Group Life	<u>\$ 124,955,952,851</u>
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### ACCIDENT AND HEALTH INSURANCE — Premiums in force — group

	<u>\$ 56,143,427,917</u>
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### CLAIM PAYMENTS 2024 — Group accident and health — year ended December 31, 2024

2024	\$ 37,099,464,623
2023	30,624,012,345
2022	27,690,991,784
2021	36,087,670,223
2020	35,849,270,155

### CLAIM PAYMENTS 2024 — Other accident and health — year ended December 31, 2024

2024	\$ 3,232,001,111
2023	2,070,807,654
2022	2,101,152,750
2021	2,181,196,636
2020	2,461,836,075

## OTHER ATTACHMENTS



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To the Audit Committee of  
UnitedHealthcare Insurance Company  
185 Asylum Street  
Hartford, CT 06103-3408

The Management of  
UnitedHealthcare Insurance Company  
185 Asylum Street  
Hartford, CT 06103-3408

Dear Members of the Audit Committee and Management:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statutory basis financial statements of UnitedHealthcare Insurance Company (the "Company") for the years ended December 31, 2024, and 2023, and have issued our report thereon dated, April 29, 2025. In connection therewith, we advise you as follows:

1. We are independent certified public accountants with respect to the Company and conform to the standards of the accounting profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants, the rules and regulations of the Connecticut Insurance Department, and the Rules of Professional Conduct of the Minnesota State Board of Accountancy.
2. The engagement partner and engagement manager, who are certified public accountants, have 17 years and 9 years, respectively, of experience in public accounting and are experienced in auditing insurance enterprises. Members of the engagement team, most of whom have had experience in auditing insurance enterprises and 30 percent of whom are certified public accountants, were assigned to perform tasks commensurate with their training and experience.
3. We understand that the Company intends to file its audited statutory basis financial statements and our report thereon with the Connecticut Insurance Department and other state insurance departments in states in which the Company is licensed and that the insurance commissioners of those states will be relying on that information in monitoring and regulating the statutory basis financial condition of the Company.

While we understand that an objective of issuing a report on the statutory basis financial statements is to satisfy regulatory requirements, our audit was not planned to satisfy all objectives or responsibilities of insurance regulators. In this context, the Company and insurance commissioners should understand that the objective of an audit of statutory basis financial statements in accordance with auditing standards generally accepted in the United States of America is to form an opinion and issue a report on whether the statutory basis financial statements present fairly, in all material respects, the admitted assets, liabilities, and capital and surplus, results of operations and cash flows in accordance with accounting practices prescribed or permitted by the Connecticut Insurance Department. Consequently, under auditing standards generally accepted in the United States of America, we have the responsibility, within the inherent limitations of the auditing process, to plan and perform our audit to obtain reasonable assurance regarding whether the statutory basis financial statements are free from material misstatement, whether due to error or fraud, and to exercise due professional care in the

conduct of the audit. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. Our audit included consideration of internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. The concept of selective testing of the data being audited, which involves judgment both as to the number of transactions to be audited and the areas to be tested, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on financial statements. Audit procedures that are effective for detecting errors, if they exist, may be ineffective for detecting misstatements resulting from fraud. Because of the characteristics of fraud, particularly those involving concealment and falsified documentation (including forgery), a properly planned and performed audit may not detect a material misstatement resulting from fraud. In addition, an audit does not address the possibility that material misstatements may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audit mean that matters may exist that would have been assessed differently by insurance commissioners.

It is the responsibility of the management of the Company to adopt sound accounting policies, to maintain an adequate and effective system of accounts, and to establish and maintain internal control that will, among other things, provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and are recorded properly to permit the preparation of financial statements in conformity with accounting practices prescribed or permitted by the Connecticut Insurance Department.

The Insurance Commissioner should exercise due diligence to obtain whatever other information that may be necessary for the purpose of monitoring and regulating the statutory basis financial position of insurers and should not rely solely on the independent auditor's report.

4. We will retain the working papers (including those kept in a hard copy or electronic medium) prepared in the conduct of our audit until the Connecticut Insurance Department has filed a Report of Examination covering 2024, but no longer than seven years. After notification to the Company, we will make the working papers available for review by the Connecticut Insurance Department or its delegates, at the offices of the insurer, at our offices, at the Connecticut Insurance Department, or at any other reasonable place designated by the Insurance Commissioner. Furthermore, in the conduct of the aforementioned periodic review by the Connecticut Insurance Department, photocopies of pertinent audit working papers may be made (under the control of Deloitte & Touche LLP) and such copies may be retained by the Connecticut Insurance Department. In addition, to the extent requested, we may provide the Connecticut Insurance Department with copies of certain audit working papers (such as unlocked copies of Excel spreadsheets that do not contain password protection or encryption). As such, these audit working papers will be subject to potential modification by Connecticut Insurance Department or by others. We are not responsible for any modifications made to the copies, electronic or otherwise, after they are provided to the Connecticut Insurance Department; and we are likewise not responsible for any effect that any such modifications, whether intentional or not, might have on the process, substance, or outcome of your regulatory examination.

5. The engagement partner has served in this capacity with respect to the Company since 2022, is licensed by the Minnesota State Board of Accountancy, and is a member in good standing of the American Institute of Certified Public Accountants.
6. To the best of our knowledge and belief, we are in compliance with the requirements of section 7 of the NAIC's Model Rule (Regulation) Requiring Annual Audited Financial Reports regarding qualifications of independent certified public accountants.

This letter is intended solely for the information and use of the Audit Committee and management of UnitedHealthcare Insurance Company and for filing with the Connecticut Insurance Department and other state insurance departments to whose jurisdiction the Company is subject and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche, LLP*

April 29, 2025