

U.S. Health Insurance Industry Analysis Report

HEALTH INDUSTRY OVERVIEW

Table 1 below provides a five-year quarterly snapshot of the U.S. Health insurance industry's aggregate financial results for health entities who file with the NAIC on the health quarterly statement blank. The health insurance industry reported an underwriting gain of \$8.9 billion, a 26.5% decline from approximately \$12.1 billion for the same period a year earlier. Similarly, net income decreased 23.2% to approximately \$12.2 billion for the first six months of 2025 compared to the same period in the prior year. The industry's profit margin decreased 0.9 points to 1.8% from 2.7%, while the combined ratio increased by a moderate 80 basis points from 97.9% to 98.7%.

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Notable items as compared to mid-year 2024 include the following:

- Hospital & medical expenses increased 16.2% (\$82 billion)
- Net earned premium increased 15.3% (\$8.8 billion)
- Administrative expenses increased 6.2% (\$4 billion)
- Enrollment increased 11.6% (31 million)
- Profit margin decreased to 1.8% from 2.7%
- Cash flow from operations dropped 45.4% to \$4.9 billion from \$9.1 billion
- Capital and surplus increased 2.8% (\$6.3 billion) to over \$230 billion from \$224 billion

Table 1

Financial Summary: June 30, 2025 - 2021

(In Millions)	Chg.	2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020
Direct Written Premium	15.6%	\$681,883	\$590,021	\$557,138	\$509,645	\$448,705	\$410,736
Net Earned Premium	15.3%	\$665,668	\$577,368	\$548,107	\$502,910	\$444,109	\$406,706
Net Investment Income Earned	(0.3)%	\$6,893	\$6,914	\$5,916	\$2,966	\$2,735	\$2,712
Underwriting Gain/Loss	(26.5)%	\$8,906	\$12,123	\$17,649	\$18,625	\$16,268	\$23,717
Net Income/Loss	(23.2)%	\$12,153	\$15,821	\$18,425	\$17,210	\$16,805	\$21,543
Total Hospital & Medical Exp.	16.2%	\$590,373	\$508,201	\$473,189	\$429,818	\$380,438	\$326,101
Loss Ratio	1.5 pts	88.6%	87.1%	85.6%	85.0%	85.3%	80.2%
Administrative Expenses	6.2%	\$67,373	\$63,434	\$61,921	\$57,168	\$49,391	\$57,558
Administrative Expense Ratio	(0.8) pts	10.1%	10.9%	11.2%	11.3%	11.1%	14.1%
Combined Ratio	0.8 pts	98.7%	97.9%	96.8%	96.3%	96.4%	94.2%
Profit Margin	(0.9) pts	1.8%	2.7%	3.3%	3.4%	3.7%	5.3%
Enrollment	11.6%	300	269	278	262	251	238
Premium PMPM	4.6%	\$380	\$364	\$333	\$321	\$296	\$283
Claims PMPM	6.4%	\$338	\$318	\$287	\$275	\$254	\$229
Cash Flow from Operations	(45.4)%	\$4,963	\$9,082	\$66,974	\$26,334	\$12,175	\$38,343
# of Companies Filed	9	1,156	1,147	1,179	1,163	1,131	1,096
	Chg.	2Q 2025	2Q 2024	2023	2022	2021	2020
Capital & Surplus	2.8%	\$230,570	\$224,220	\$214,784	\$213,949	\$203,141	\$186,797

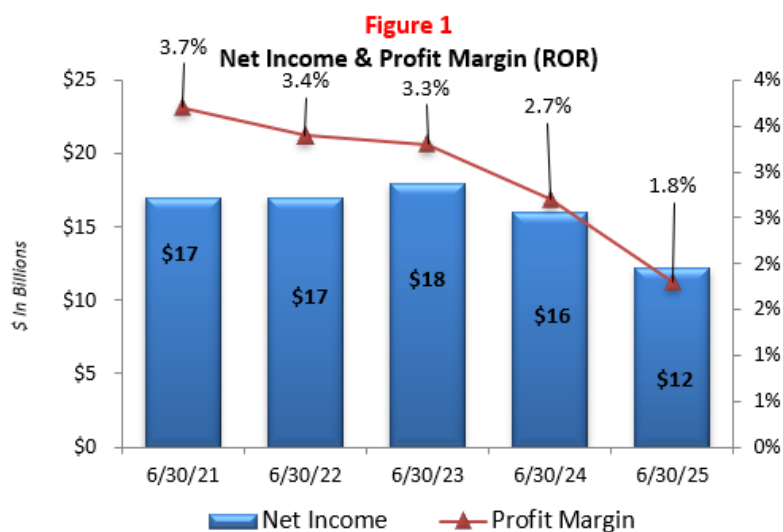
*All figures only include health entities that file financial statements with the NAIC.

Note: Adjustments to exclude affiliated amounts were made where appropriate.

NET EARNINGS

Net income decreased 23.2% to approximately \$12.1 billion from \$15.8 billion for the first six months of 2025 compared to the same period in the prior year. There was also a 26.5% (\$3.2 billion) decrease in underwriting gains to \$8.9 billion. The considerable decrease is attributed primarily to a 16.2% (\$82 billion) increase in total hospital and medical benefits resulting in a 150-basis point increase in the loss ratio to 88.6%. The loss ratio has increased every year since 2022 while profit margins have dropped every year since 2021.

Figure 1 illustrates the trend in profitability and reflects a profit margin of 1.8% through mid-year 2025 which is a 90-basis point decrease from 2.7% for the same period in 2024.



UNDERWRITING RESULTS

As indicated on **Table 1** (Financial Summary), the decrease in the industry's underwriting results is attributed primarily to a 16.2% (\$82 billion) increase in total hospital and medical expenses to \$590 billion through mid-year 2025 from \$508 billion for the same period in 2024. The industry also reported a 6.2% (\$4 billion) increase in claims adjustment and administrative expenses to \$67.4 billion from approximately \$62 billion at mid-year 2024, resulting in a modest 30 basis point decrease in the administrative expense ratio. The industry partially offset these expenses with a 5% (\$29 billion) increase in net earned premium.

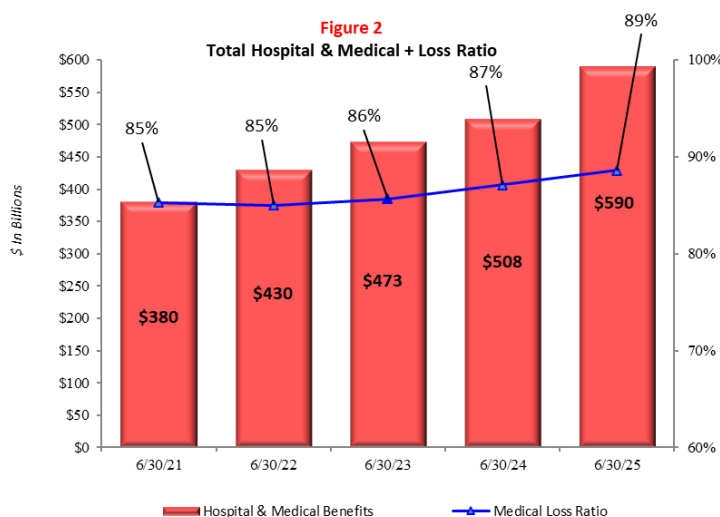


Figure 2 illustrates the increase in total hospital and medical benefits for the first six months of 2025 as compared to the prior year period. Historically, the industry's loss ratio had fluctuated slightly while reporting consistent increases in hospital and medical benefits. However, with the onset of the COVID-19 Pandemic during 2020 and lingering throughout 2021, the aggregated loss ratio dropped to 80% in 2020 before returning to pre-COVID-19 levels of 85% in 2021 and 2022. Since 2020, the health insurance industry has seen a step-up every year in the medical loss ratio, as shown in Figure 2. This is a trend is tied to increasing utilization, high prescription drug costs, and inflation in the healthcare system.

Figure 3 illustrates the comparison in claims adjustment and administrative expenses through mid-year 2025 and the four prior years.

The increase in the loss ratio and the modest decrease in the administrative expense ratio resulted in an 80-basis point increase in the combined ratio.

Table 2 below provides data from the Exhibit of Premiums, Enrollment, and Utilization by Line of Business. The table includes a comparison of direct and earned premium, claims, loss ratio, net premium and claims per member per month, and enrollment through mid-year 2025 and the four prior years.

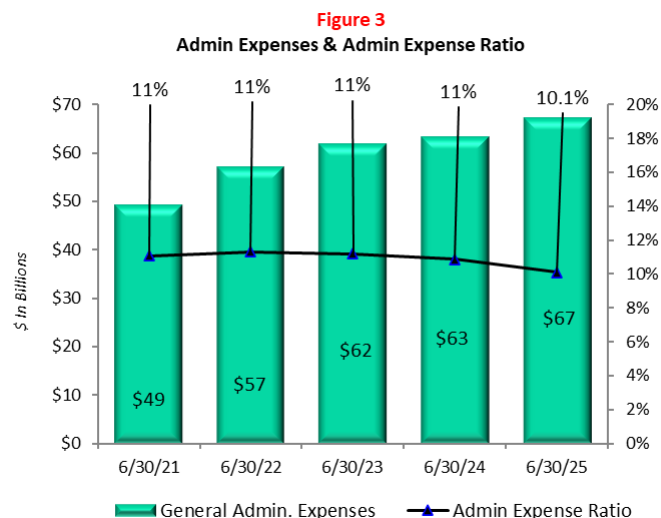


Table 2 shows the strain that the industry has faced post-COVID-19. Loss ratios are notably higher when compared to 2022 in the major categories of Medicaid (91.4% vs 82.6%), Medicare (86.8% vs 83.3%), and individual comprehensive (84.8% vs 77.9%).

This increase in total hospital and medical expenses over the five-year period is significant. For Medicare, total hospital and medical expenses increased 81% from \$121 billion through mid-year 2021 to nearly \$220 billion through mid-year 2025. Medicaid total hospital and medical benefits increased 26% from \$113 billion to \$163 billion. Finally, individual comprehensive increased 114% from \$31 billion to \$67 billion.

IMPACT OF CHANGES IN THE HEALTH INSURANCE MARKET

Health insurers have encountered several changing market conditions that have affected their solvency position, post-COVID-19. The unwinding of the COVID-19 public health emergency occurred during a period where the U.S. also saw its highest inflation since the late 1970s. The aftermath of the pandemic also paved the way for labor shortages, including many in the medical profession. Concurrently, the market continued the trend of providers consolidating into increasingly vertically integrated organizations. Consumers also began utilizing the health care system at record numbers due to delayed care during the pandemic, a large population increase, and an aging demography.

These factors have significantly influenced the mix of business lines that insurers are underwriting. As the data below demonstrates, ACA marketplace enrollments have surged, and the Medicaid segment has experienced significant premium growth, largely driven by COVID-19-related emergency measures. Furthermore, an aging population continues to fuel strong Medicare enrollment growth. In contrast, group comprehensive coverage remains the most stable major line of business, though current levels are 9.1% below those observed in 2015.

The U.S. operated under a federal public health emergency (PHE) from March 2020 until its expiration on May 11, 2023, prompted by the COVID-19 pandemic. This declaration led to a substantial expansion of Medicaid and ACA coverage, alongside special provisions for COVID-19 vaccines, tests, and treatments. However, the 2023 Consolidated Appropriations Act and the end of the PHE have largely phased out these expansions, disrupting the health insurance market. Additionally, as of this report, Congress is deliberating whether to allow the Enhanced

Premium Tax Credits to expire at the end of 2025. While many insurers have adjusted their rate increases to account for this potential expiration, the full impact on the health insurance marketplace, particularly the individual market, remains uncertain.

Table 2

Exhibit of Premiums, Enrollment & Utilization by Lines of Business

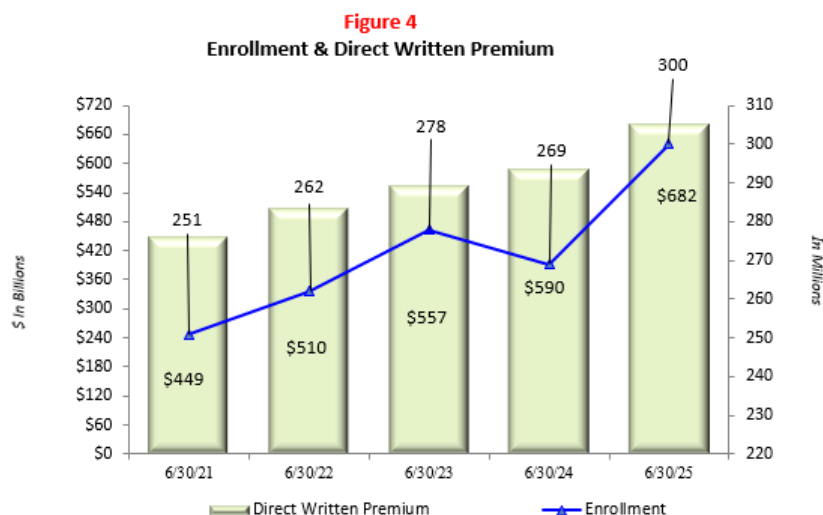
Individual Comprehensive Hospital & Medical						Group Comprehensive Hospital & Medical					
	2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021		2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$80,094	\$70,581	\$54,844	\$47,979	\$41,421	Direct Written Premium	\$96,971	\$86,768	\$85,976	\$84,585	\$83,042
Net Earned Premium	\$79,182	\$69,595	\$52,864	\$47,506	\$39,816	Net Earned Premium	\$96,631	\$86,532	\$85,651	\$84,335	\$82,851
Total Hospital & Medical Exp	\$67,111	\$51,896	\$41,568	\$37,019	\$31,356	Total Hospital & Medical Exp	\$83,160	\$72,572	\$72,404	\$70,966	\$70,197
Loss Ratio	84.8%	74.6%	78.6%	77.9%	78.8%	Loss Ratio	86.1%	83.9%	84.5%	84.1%	84.7%
Net Premium PMPM	\$567	\$548	\$531	\$528	\$508	Net Premium PMPM	\$601	\$574	\$542	\$519	\$492
Claims PMPM	\$481	\$408	\$418	\$411	\$400	Claims PMPM	\$517	\$482	\$458	\$417	\$370
Margin	\$86	\$139	\$114	\$114	\$117	Margin	\$84	\$93	\$84	\$102	\$122
Enrollment	23	22	17	15	14	Enrollment	26	25	26	27	28
Medicare Supplement						Vision					
	2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021		2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$8,251	\$7,308	\$6,908	\$6,571	\$6,318	Direct Written Premium	\$1,725	\$1,762	\$1,536	\$1,473	\$1,408
Net Earned Premium	\$8,214	\$7,253	\$6,861	\$6,492	\$6,227	Net Earned Premium	\$1,720	\$1,641	\$1,535	\$1,472	\$1,408
Total Hospital & Medical Exp	\$7,009	\$6,111	\$5,886	\$5,218	\$4,850	Total Hospital & Medical Exp	\$1,927	\$1,786	\$1,686	\$1,532	\$1,477
Loss Ratio	85.3%	84.3%	85.8%	80.4%	77.9%	Loss Ratio	112.0%	108.9%	109.9%	104.1%	104.9%
Net Premium PMPM	\$241	\$227	\$216	\$214	\$210	Net Premium PMPM	\$6	\$6	\$6	\$6	\$6
Claims PMPM	\$206	\$191	\$186	\$172	\$164	Claims PMPM	\$7	\$7	\$7	\$6	\$7
Margin	\$35	\$36	\$31	\$42	\$47	Margin	(\$1)	(\$1)	(\$1)	(\$0)	(\$0)
Enrollment	6	5	5	5	5	Enrollment	46	42	43	39	38
Dental						FEHBP					
	2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021		2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$10,064	\$8,240	\$8,150	\$7,721	\$7,392	Direct Written Premium	\$28,902	\$25,310	\$23,357	\$22,419	\$21,491
Net Earned Premium	\$9,652	\$7,761	\$7,703	\$7,277	\$7,005	Net Earned Premium	\$27,100	\$25,480	\$24,540	\$22,310	\$21,848
Total Hospital & Medical Exp	\$8,816	\$7,298	\$6,872	\$6,329	\$6,002	Total Hospital & Medical Exp	\$25,445	\$23,740	\$22,836	\$20,675	\$20,167
Loss Ratio	91.3%	94.0%	89.2%	87.0%	85.7%	Loss Ratio	93.9%	93.2%	93.1%	92.7%	92.3%
Net Premium PMPM	\$30	\$28	\$27	\$27	\$26	Net Premium PMPM	\$479	\$445	\$445	\$408	\$401
Claims PMPM	\$27	\$26	\$24	\$23	\$23	Claims PMPM	\$450	\$414	\$414	\$378	\$370
Margin	\$3	\$2	\$3	\$3	\$4	Margin	\$29	\$30	\$31	\$30	\$31
Enrollment	55	47	47	45	45	Enrollment	10	10	9	9	9
Medicare						Medicaid					
	2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021		2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$253,090	\$218,133	\$197,531	\$172,500	\$141,713	Direct Written Premium	\$177,722	\$151,929	\$166,757	\$156,257	\$134,720
Net Earned Premium	\$252,898	\$218,712	\$198,244	\$172,187	\$141,285	Net Earned Premium	\$177,883	\$154,282	\$166,670	\$155,688	\$132,903
Total Hospital & Medical Exp	\$219,591	\$187,286	\$167,613	\$143,454	\$121,156	Total Hospital & Medical Exp	\$162,608	\$143,592	\$144,239	\$128,676	\$113,412
Loss Ratio	86.8%	85.6%	84.5%	83.3%	85.8%	Loss Ratio	91.4%	93.1%	86.5%	82.6%	85.3%
Net Premium PMPM	\$1,477	\$1,339	\$1,283	\$1,197	\$1,123	Net Premium PMPM	\$586	\$517	\$447	\$448	\$425
Claims PMPM	\$1,282	\$1,146	\$1,085	\$997	\$963	Claims PMPM	\$536	\$481	\$387	\$370	\$363
Margin	\$194	\$192	\$198	\$200	\$160	Margin	\$50	\$36	\$60	\$78	\$62
Enrollment	29	27	26	24	21	Enrollment	50	49	62	59	54
Other Health											
	2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021						
<i>(In Millions, Except PMPM)</i>											
Direct Written Premium	\$32,994	\$15,015	\$11,812	\$11,212	\$10,549						
Net Earned Premium	\$31,783	\$14,981	\$11,604	\$11,090	\$10,640						
Total Hospital & Medical Exp	\$26,867	\$13,451	\$12,584	\$11,041	\$10,606						
Loss Ratio	84.5%	89.8%	108.4%	99.6%	99.7%						
Net Premium PMPM	\$106	\$67	\$49	\$50	\$47						
Claims PMPM	\$90	\$60	\$53	\$49	\$46						
Margin	\$16	\$7	(\$4)	\$0	\$0						
Enrollment	50	41	43	38	38						

ENROLLMENT

As shown in **Figure 4**, the industry has experienced a significant increase in total enrollment of 11.6% (31 million) to 300 million from 269 million through mid-year 2025. This comes after a year of decline from mid-year 2023 to mid-year 2024 of 9 million people.

The largest increase is occurring in the Group Comprehensive line of business, which saw a 24.2% increase from mid-year 2024.

Since 2021, total enrollment is up 20% (49 million).



Below, in **Figure 4b**, the enrollment trend by the major categories, individual comprehensive, group comprehensive, Medicare, and Medicaid, is shown over the past 10 years. The trend indicates a ten million increase in Medicaid enrollment with enrollment picking up slightly after the Medicaid redetermination. Also of note is the strong year-over-year growth in group comprehensive and the doubling of individual comprehensive and Medicare. At the time of this report there is a significant overhang on the individual market as the Enhanced Premium Tax Credits (EPTCs) are set to expire at the end of 2025. If the credits are allowed to expire this could have a significant consequence on the individual comprehensive market.

Finally, given the country's demographics, there will be continued growth in Medicare enrollees. CMS from its National Health Expenditure Projections 2024–33 report published on June 25th, 2025, projects that Medicare enrollment will be approximately 10 million higher in 2033 than it is today, while Group and Individual comprehensive are both slated to remain flat. Health care as a share of GDP is also projected to increase from 18% of GDP to over 20% of GDP, which is a continuation of a trend that began in 2000 where the percentage was approximately 13%.

Industry-wide, there were 300 million members enrolled in various types of health insurance products. **Figure 5** shows the breakdown by line of business at mid-year 2025. A shift in business concentration is attributed to an increase in the number of insureds becoming eligible for either Medicare or Medicaid as evidenced by increases in enrollment in these lines. The growth trend seen in the individual marketplace may end though, as the Enhanced Premium Tax Credits are set to expire at the end of 2025, though an extension is possible. The expiration of the credits would put pressure on insurers who focus their business on the individual comprehensive line of business.

As depicted in **Figure 6**, health entities earned premium per member per month (PMPM) increased 34.2% over a five-year period to \$380 at mid-year 2025 compared to just \$296 for mid-year 2021, while claims PMPM increased 48% to \$338 from \$254.

It is evident that premium PMPM has increased incrementally through the five years illustrated in the graph while claims PMPM have continued to tighten the margin that health insurers are able to earn. Margins, on a PMPM dollar basis, are \$41.9 at mid-year 2025, versus \$41.9 at mid-year. As the graph illustrates, that same dollar amount is much smaller on a percentage basis of the total claims. This shrinking margin on a percentage basis is seen in Figure 1, which shows profit margin has shrunk from 3.8% through mid-year 2021 compared to 1.8% through mid-year 2025.

Figure 5
Enrollment by Line of Business

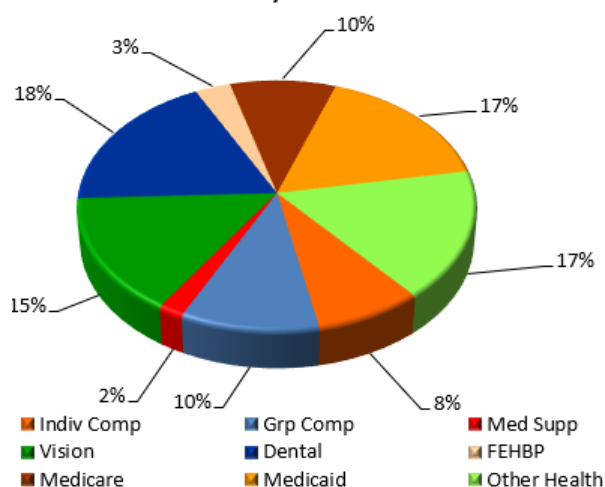
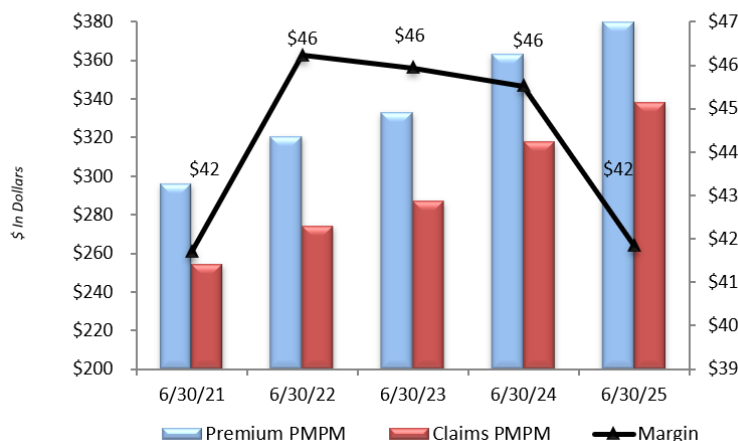


Figure 6
Premium PMPM vs Claims PMPM



PREMIUM REVENUES

Figure 4 above illustrates the growth in direct written premium. In comparison to the first six months of 2024, the industry reported an 18% (\$92 billion) increase in direct written premium to \$682 billion from \$590 billion. The increase is primarily from growth in Medicare and Medicaid, with Medicare increasing 16% (\$35 billion) and Medicaid increasing 17% (25.8 billion). Individual comprehensive increased 13.5% (\$9.5 billion) and group comprehensive increased 11.8% (\$10.2 billion).

Figure 7 illustrates the mix of direct written premium for the first six months of 2025. This shows the shift in the allocation of premium between the lines of business over the last five years. The evidence of this shift is clear when looking at the largest lines of business with Medicaid's direct written premium increasing 32%, Medicare increasing

78.5%, and individual comprehensive nearly doubling during that period. Medicare now has over \$253 billion in direct written premium, a trend which should continue as more baby boomers enroll over the next five years.

Table 3 below provides a further breakout of direct written premium by line of business. It should be noted that the decrease in Medicaid direct written premium for the six-month period of 2024 has now reversed as the Medicaid redetermination process has been in effect. At the end of 2025, CMS’s deadline to unwind renewals that were deemed to have “unusual circumstances” goes into effect (<https://www.medicaid.gov/federal-policy-guidance/downloads/cib08292024.pdf>).

Table 3							
Direct Written Premium by Lines of Business							
<i>(In Millions)</i>	Chg.	\$ Chg.	2Q 2025	2Q 2024	2Q 2023	2Q 2022	2Q 2021
Individual Comprehensive	13.5%	\$9,526	\$80,107	\$70,581	\$54,844	\$47,979	\$41,421
Group Comprehensive	11.8%	\$10,213	\$96,981	\$86,768	\$85,976	\$84,585	\$83,042
Medicare Supplement	12.9%	\$943	\$8,251	\$7,308	\$6,908	\$6,571	\$6,318
Vision	(2.1)%	(\$37)	\$1,725	\$1,762	\$1,536	\$1,473	\$1,408
Dental	22.1%	\$1,825	\$10,064	\$8,240	\$8,150	\$7,721	\$7,392
FEHBP	14.2%	\$3,592	\$28,902	\$25,310	\$23,357	\$22,419	\$21,491
Medicare	16.0%	\$34,962	\$253,095	\$218,133	\$197,531	\$172,500	\$141,713
Medicaid	17.0%	\$25,796	\$177,725	\$151,929	\$166,757	\$156,257	\$134,720
Other Health	119.8%	\$17,990	\$33,006	\$15,016	\$11,833	\$11,212	\$10,549

Table 4 on the next page includes direct written premium for the four largest revenue-generating lines of business as reported by each state on Schedule T of the quarterly financial statement. Florida reports the greatest dollar amount of direct written premium on both the comprehensive medical and Medicare lines of business through mid-year 2025. Florida recorded over \$24.7 billion in comprehensive medical premium after recording a 20% increase from the prior-year quarter while recording \$26.4 billion in Medicare premium, which is a 13% increase from the prior-year. Texas reported \$17.1 billion in Medicaid premium which is a 17% increase from the prior year. Maryland reported \$2.6 billion in premium revenue for the federal employee health benefit plan line of business which is a 15.6% increase over mid-year 2024.

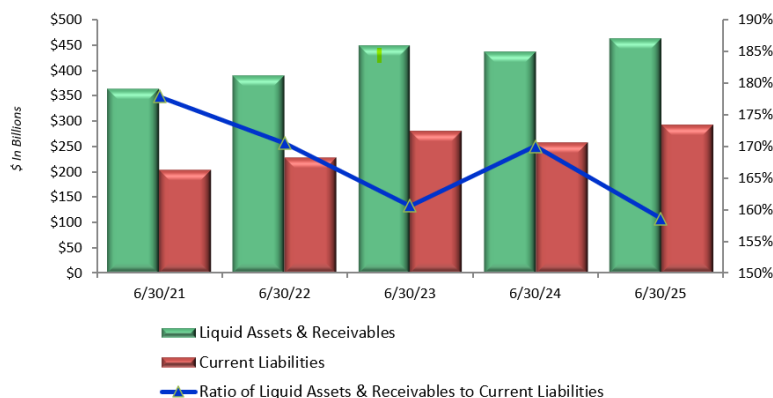
Table 4 - Direct Written Premium by Line of Business by State
As reported on Schedule T

(\$ in Millions)	Comprehensive Medical			Medicare			Medicaid			FEHBP		
State	2Q 2025	2Q 2024	% Chg.	2Q 2025	2Q 2024	% Chg.	2Q 2025	2Q 2024	% Chg.	2Q 2025	2Q 2024	% Chg.
Alabama	\$3,880	\$3,331	16.5%	\$5,626	\$4,778	17.7%	\$24	\$25	-4.1%	\$585	\$517	13.0%
Alaska	\$506	\$412	22.9%	\$4	\$4	12.2%	\$0	\$0		\$278	\$316	-12.0%
Arizona	\$3,089	\$2,471	25.0%	\$5,045	\$4,425	14.0%	\$1,387	\$91	1417.5%	\$536	\$412	30.1%
Arkansas	\$2,465	\$2,139	15.3%	\$2,829	\$2,383	18.7%	\$845	\$723	16.9%	\$223	\$194	15.0%
California	\$4,810	\$1,820	164.2%	\$3,451	\$3,066	12.6%	\$0	\$0		\$3	\$3	4.5%
Colorado	\$3,949	\$2,983	32.4%	\$4,217	\$3,692	14.2%	\$864	\$674	28.2%	\$540	\$504	7.1%
Connecticut	\$2,386	\$1,673	42.7%	\$3,105	\$2,491	24.6%	\$0	\$0		\$249	\$196	27.3%
Delaware	\$611	\$466	31.0%	\$624	\$488	28.0%	\$0	\$0		\$137	\$117	17.3%
District Of Columbia	\$1,517	\$1,268	19.7%	\$369	\$316	16.6%	\$1,010	\$958	5.4%	\$993	\$910	9.2%
Florida	\$24,744	\$20,570	20.3%	\$26,637	\$23,495	13.4%	\$11,697	\$10,477	11.6%	\$2,114	\$1,689	25.2%
Georgia	\$8,082	\$6,712	20.4%	\$9,345	\$8,081	15.6%	\$2,321	\$2,632	-11.8%	\$1,060	\$949	11.8%
Hawaii	\$2,079	\$1,953	6.5%	\$1,358	\$1,198	13.4%	\$1,177	\$1,174	0.2%	\$282	\$294	-4.1%
Idaho	\$1,550	\$1,356	14.3%	\$1,388	\$1,140	21.8%	\$256	\$240	6.5%	\$135	\$135	-0.2%
Illinois	\$11,503	\$9,972	15.4%	\$7,677	\$6,787	13.1%	\$9,878	\$9,248	6.8%	\$988	\$733	34.8%
Indiana	\$2,917	\$2,494	17.0%	\$5,774	\$4,829	19.6%	\$5,649	\$4,475	26.2%	\$165	\$410	-59.7%
Iowa	\$2,510	\$2,239	12.1%	\$2,015	\$1,719	17.2%	\$3,339	\$3,256	2.6%	\$220	\$184	19.4%
Kansas	\$1,115	\$843	32.2%	\$1,594	\$1,363	17.0%	\$2,657	\$2,352	13.0%	\$82	\$74	11.8%
Kentucky	\$2,437	\$2,158	12.9%	\$4,603	\$3,966	16.1%	\$5,859	\$5,401	8.5%	\$312	\$294	6.4%
Louisiana	\$2,785	\$2,344	18.8%	\$4,713	\$4,020	17.2%	\$5,645	\$5,721	-1.3%	\$333	\$277	20.1%
Maine	\$1,207	\$969	24.6%	\$1,458	\$1,209	20.6%	\$0	\$0		\$161	\$147	9.1%
Maryland	\$3,763	\$2,825	33.2%	\$2,333	\$2,123	9.9%	\$1,665	\$1,820	-8.5%	\$2,611	\$2,258	15.6%
Massachusetts	\$8,721	\$7,474	16.7%	\$3,457	\$2,495	38.6%	\$5,525	\$4,146	33.3%	\$649	\$508	27.8%
Michigan	\$8,999	\$7,918	13.7%	\$9,519	\$9,137	4.2%	\$5,241	\$4,287	22.2%	\$480	\$514	-6.6%
Minnesota	\$4,112	\$3,570	15.2%	\$3,990	\$4,028	-1.0%	\$5,243	\$4,737	10.7%	\$467	\$436	7.0%
Mississippi	\$1,882	\$1,495	25.9%	\$2,394	\$2,000	19.7%	\$946	\$1,299	-27.1%	\$230	\$199	15.3%
Missouri	\$3,080	\$2,635	16.9%	\$6,189	\$5,468	13.2%	\$2,279	\$2,328	-2.1%	\$525	\$456	15.1%
Montana	\$827	\$678	22.0%	\$526	\$463	13.6%	\$0	\$0		\$140	\$130	8.4%
Nebraska	\$1,544	\$1,314	17.6%	\$1,023	\$975	4.8%	\$1,170	\$1,086	7.8%	\$218	\$163	33.8%
Nevada	\$1,805	\$1,381	30.7%	\$2,788	\$2,545	9.6%	\$1,248	\$1,275	-2.1%	\$164	\$154	6.0%
New Hampshire	\$1,152	\$943	22.1%	\$813	\$686	18.6%	\$735	\$577	27.3%	\$227	\$189	20.0%
New Jersey	\$6,649	\$5,022	32.4%	\$5,171	\$4,403	17.5%	\$9,026	\$7,718	17.0%	\$699	\$617	13.3%
New Mexico	\$757	\$621	21.9%	\$1,471	\$1,468	0.2%	\$3,756	\$2,999	25.3%	\$228	\$208	9.4%
New York	\$14,509	\$12,743	13.9%	\$15,611	\$13,128	18.9%	\$6,398	\$5,327	20.1%	\$1,143	\$991	15.3%
North Carolina	\$6,289	\$5,857	7.4%	\$10,174	\$8,540	19.1%	\$6,561	\$5,315	23.4%	\$997	\$786	26.8%
North Dakota	\$1,047	\$965	8.5%	\$281	\$263	6.8%	\$214	\$154	39.1%	\$82	\$78	5.0%
Ohio	\$6,184	\$5,258	17.6%	\$11,759	\$10,273	14.5%	\$10,223	\$9,529	7.3%	\$827	\$765	8.1%
Oklahoma	\$3,146	\$2,718	15.7%	\$2,692	\$2,296	17.2%	\$1,985	\$715	177.6%	\$491	\$418	17.6%
Oregon	\$4,043	\$3,534	14.4%	\$3,706	\$3,400	9.0%	\$4,310	\$4,154	3.8%	\$355	\$320	10.9%
Pennsylvania	\$8,819	\$7,336	20.2%	\$12,618	\$10,815	16.7%	\$18,409	\$16,346	12.6%	\$1,251	\$1,067	17.2%
Rhode Island	\$789	\$682	15.7%	\$1,086	\$1,811	-40.0%	\$1,344	\$327	311.2%	\$85	\$76	11.8%
South Carolina	\$3,762	\$3,248	15.8%	\$4,560	\$3,822	19.3%	\$2,225	\$2,260	-1.6%	\$465	\$384	20.9%
South Dakota	\$876	\$797	9.9%	\$361	\$325	10.8%	\$43	\$0		\$143	\$131	9.0%
Tennessee	\$4,509	\$3,452	30.6%	\$6,938	\$6,007	15.5%	\$3,448	\$3,438	0.3%	\$512	\$468	9.3%
Texas	\$23,023	\$19,809	16.2%	\$24,416	\$21,239	15.0%	\$17,152	\$14,716	16.6%	\$2,276	\$1,920	18.6%
Utah	\$2,689	\$2,275	18.2%	\$1,842	\$1,627	13.3%	\$505	\$384	31.4%	\$437	\$380	14.8%
Vermont	\$647	\$458	41.2%	\$337	\$320	5.3%	\$0	\$0		\$72	\$69	4.1%
Virginia	\$4,930	\$3,887	26.8%	\$5,613	\$4,533	23.8%	\$7,210	\$7,428	-2.9%	\$1,921	\$1,702	12.9%
Washington	\$5,776	\$5,050	14.4%	\$5,497	\$4,758	15.5%	\$4,434	\$4,152	6.8%	\$656	\$635	3.3%
West Virginia	\$1,004	\$744	35.0%	\$2,093	\$1,766	18.5%	\$1,071	\$1,010	6.1%	\$355	\$306	16.3%
Wisconsin	\$5,000	\$4,471	11.8%	\$5,238	\$4,510	16.2%	\$2,142	\$2,047	4.6%	\$515	\$410	25.5%
Wyoming	\$476	\$380	25.3%	\$167	\$127	31.4%	\$0	\$0		\$88	\$73	21.0%
American Samoa	\$0	\$0	593.3%	\$0	\$0		\$0	\$0		\$0	\$0	
Guam	\$33	\$28	16.6%	\$0	\$0	2.6%	\$0	\$0		\$14	\$14	1.8%
Puerto Rico	\$703	\$706	-0.3%	\$5,015	\$4,356	15.1%	\$2,283	\$2,193	4.1%	\$136	\$126	7.7%
U.S. Virgin Islands	\$110	\$2	5325.3%	\$29	\$24	18.5%	\$0	\$0		\$2	\$2	26.6%
Northern Mariana	\$3	\$2	41.2%	\$0	\$0		\$0	\$0		\$0	\$0	
Canada	\$6	\$0	193709.1%	\$0	\$0		\$0	\$0		\$0	\$0	
Aggregate other alien	\$323	\$49	553.0%	\$0	\$0		\$0	\$0		\$0	\$0	
Grand Totals	\$226,129	\$188,500	20.0%	\$251,539	\$219,181	14.8%	\$179,399	\$159,214	12.7%	\$28,857	\$25,308	14.0%

CASH FLOW AND LIQUIDITY

The health insurance industry reported another significant decrease in operating cash flow, reporting \$4.9 billion in operating cash flow. This is a 45.4% decrease from last mid-year's \$9 billion, which is only a fraction of the \$67 billion reported in the first half of 2023. The considerable decrease in operating cash flow is largely due to the huge decrease in proceeds from investments. At mid-year 2024 proceeds from investments totaled \$108.9 billion, while at mid-year 2025 proceeds from investments totaled \$50.3 billion.

Figure 8
Ratio of Liquid Assets & Receivables to Current Liabilities

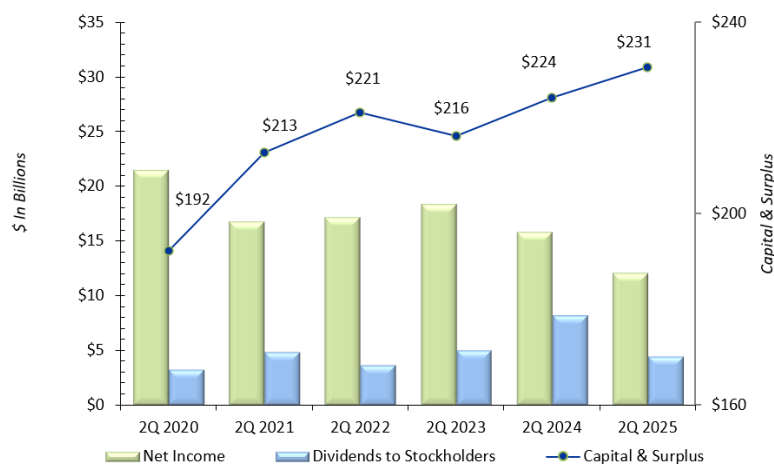


As illustrated in **Figure 8**, the liquid assets and receivables ratio has fallen near 2023 levels, falling from 170% at mid-year 2024 to 158.6% in 2025. Liquid assets and receivables increased from \$437.9 billion at mid-year 2024 to \$464.6, while liabilities increased from \$257.6 billion to \$293 billion.

CAPITAL AND SURPLUS

Health entities reported a 2.9% (\$7 billion) increase in capital and surplus to over \$231 billion from \$224 billion at mid-year 2024, as illustrated in **Figure 9**. The increase is due primarily to a decrease in dividends paid to stockholders with only \$4.5 billion paid at mid-year 2025 compared to \$9.5 billion paid at mid-year 2024. There was also \$3.2 billion increase in non-admitted assets, which was a \$1.2 billion increase in the amount of non-admitted assets at mid-year 2024.

Figure 9



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Disclaimer: The NAIC 2025 Mid-Year Health Insurance Industry Analysis Report is a limited scope analysis based on the aggregated information filed to the NAIC's Financial Data Repository as of June 30, 2025, and written by the Financial Regulatory Services Department staff. This report does not constitute the official opinion or views of the NAIC membership or any particular state insurance department.

Health Industry Disclosure: In some states the health industry is regulated by a Department/Office of Insurance other than the Department of Insurance. Therefore, not all health insurers may be required to file financial statements with the NAIC.