

U.S. Health Insurance Industry Analysis Report

HEALTH INDUSTRY OVERVIEW

Table 1 below provides a 5-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 over \$12 billion, a 31% decline from approximately \$18 billion for the same period a year earlier. Similarly, net income decreased 14% to approximately \$16 billion for the first six months of 2024 compared to the same period in the prior year. The industry’s profit margin decreased moderately to 2.7% from 3.3%, while the combined ratio increased by a moderate 110 basis-points.

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Notable items as compared to second quarter 2023 include the following:

- Hospital & medical expenses increased 7% (\$35 billion)
- Net earned premium increased 5% (\$29 billion)
- Administrative expenses increased 2% (\$2 billion)
- Enrollment decreased 3% (9 million)
- Cash flow from operations dropped 86% to \$9 billion from \$67 billion
- Capital and surplus increased 4% (\$9 billion) to over \$224 billion from \$215 billion at December 31, 2023

Table 1

Financial Summary: June 30, 2024 - 2020

<i>(In Millions)</i>	<u>Chg.</u>	<u>2Q 2024</u>	<u>2Q 2023</u>	<u>2Q 2022</u>	<u>2Q 2021</u>	<u>2Q 2020</u>
Direct Written Premium	5.9%	\$590,021	\$557,138	\$509,645	\$448,705	\$410,736
Net Earned Premium	5.3%	\$577,368	\$548,107	\$502,910	\$444,109	\$406,706
Net Investment Income Earned	16.9%	\$6,914	\$5,916	\$2,966	\$2,735	\$2,712
Underwriting Gain/Loss	(31.3)%	\$12,123	\$17,649	\$18,625	\$16,268	\$23,717
Net Income/Loss	(14.1)%	\$15,821	\$18,425	\$17,210	\$16,805	\$21,543
Total Hospital & Medical Exp.	7.4%	\$508,201	\$473,189	\$429,818	\$380,438	\$326,101
Loss Ratio	1.5 pts	87.1%	85.6%	85.0%	85.3%	80.2%
Administrative Expenses	2.4%	\$63,434	\$61,921	\$57,168	\$49,391	\$57,558
Administrative Expense Ratio	(0.3) pts	10.9%	11.2%	11.3%	11.1%	14.1%
Combined Ratio	1.1 pts	97.9%	96.8%	96.3%	96.4%	94.2%
Profit Margin	(0.6) pts	2.7%	3.3%	3.4%	3.7%	5.3%
Enrollment	(3.3)%	269	278	262	251	238
Premium PMPM	9.1%	\$364	\$333	\$321	\$296	\$283
Claims PMPM	10.7%	\$318	\$287	\$275	\$254	\$229
Cash Flow from Operations	(86.4)%	\$9,082	\$66,974	\$26,334	\$12,175	\$38,343
# of Companies Filed	(32)	1,147	1,179	1,163	1,131	1,096
	6-mo. Chg.	2Q 2024	2023	2022	2021	2020
Capital & Surplus	4.4%	\$224,220	\$214,784	\$213,949	\$203,141	\$186,797

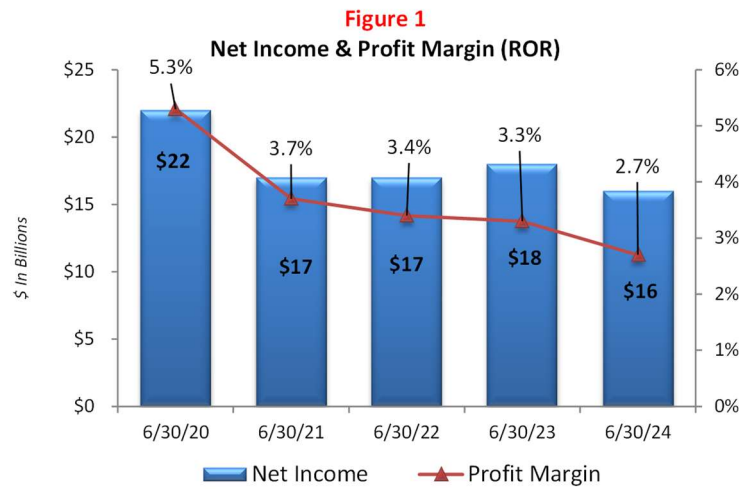
*All figures only include health entities that file financial statements with the NAIC.

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

NET EARNINGS

Net income decreased 14% to approximately \$16 billion from just over \$18 billion for the first six months of 2024 compared to the same period in the prior year. The industry also reported a 31% (\$5.5 billion) decrease in underwriting gains partially offset by an 18% (\$792 million) decrease in federal income taxes incurred. Despite the decrease in net income, the Health industry recorded a 17% (\$1 billion) increase in net investment income earned.

Figure 1 illustrates the trend in profitability and reflects a profit margin of 2.7% through the second quarter of 2024 which is a 60 basis points decrease from 3.3% for the same period in 2023.



UNDERWRITING RESULTS

As indicated on **Table 1** (Financial Summary), the decrease in the industry’s underwriting results can be attributed primarily to a 7% (\$35 billion) increase in total hospital and medical expenses to \$508 billion through the first six months of 2024 from \$473 billion for the same period of 2023. The industry also reported a 2% (\$2 billion) increase in claims adjustment and administrative expenses to over \$63 billion from approximately \$62 billion 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 2024 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 Pandemic during 2020 and lingering throughout 2021, the aggregated loss ratio dropped to 80% in 2020 before returning to pre-COVID levels at 85% in 2021 and 2022. And increasing to 86% and 87% in 2023 and 2024, respectively.

Figure 3 illustrates the comparison in claims adjustment and administrative expenses through the second quarter of 2024 and the four prior years.

The increase in the loss ratio and the modest decrease in the administrative expense ratio culminated in a 110 basis-point increase in the combined ratio.

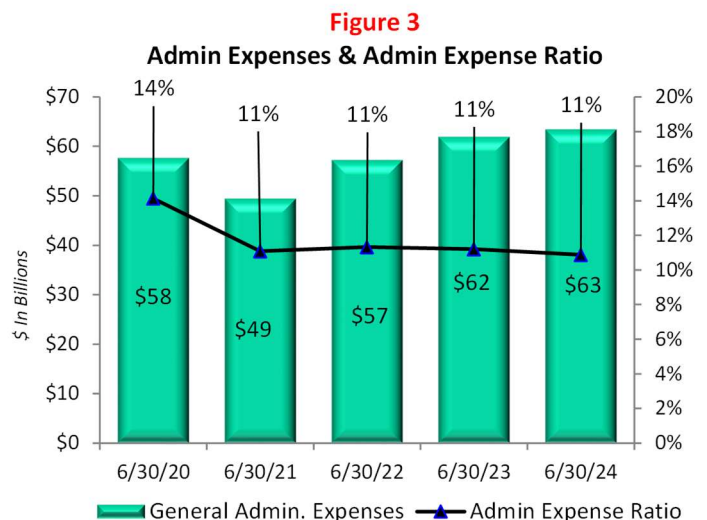
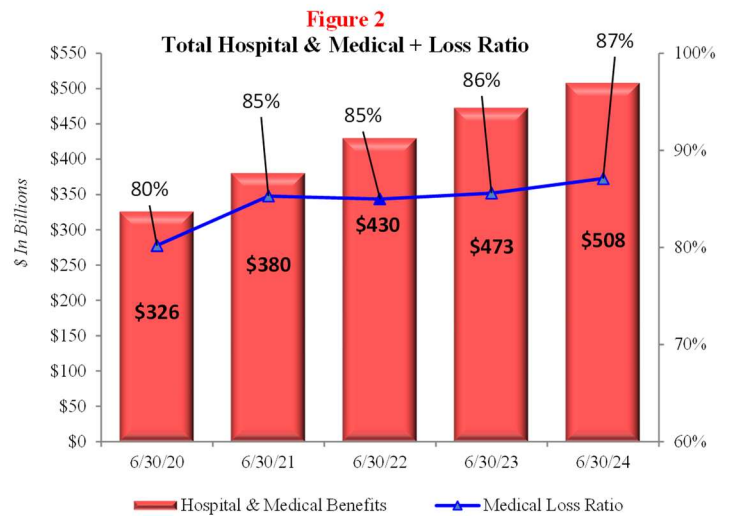


Table 2 below provides data from the Exhibit of Premiums, Enrollment, and Utilization by Line of Business. The table includes a comparison of direct and earned premium, claims, loss ratio, net premium and claims per member per month, and enrollment through the second quarter of 2024 and the four prior years.

Table 2 Exhibit of Premiums, Enrollment & Utilization by Lines of Business											
Individual Comprehensive Hospital & Medical	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020	Group Comprehensive Hospital & Medical	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$70,581	\$54,844	\$47,979	\$41,421	\$38,978	Direct Written Premium	\$86,768	\$85,976	\$84,585	\$83,042	\$83,226
Net Earned Premium	\$69,595	\$52,864	\$47,506	\$39,816	\$37,170	Net Earned Premium	\$86,532	\$85,651	\$84,335	\$82,851	\$82,587
Total Hospital & Medical Exp	\$51,896	\$41,568	\$37,019	\$31,356	\$26,734	Total Hospital & Medical Exp	\$72,572	\$72,404	\$70,966	\$70,197	\$65,097
Loss Ratio	74.6%	78.6%	77.9%	78.8%	71.9%	Loss Ratio	83.9%	84.5%	84.1%	84.7%	78.8%
Net Premium PMPM	\$548	\$531	\$528	\$508	\$498	Net Premium PMPM	\$574	\$542	\$519	\$492	\$470
Claims PMPM	\$408	\$418	\$411	\$400	\$358	Claims PMPM	\$482	\$458	\$417	\$370	\$377
Margin	\$139	\$114	\$114	\$117	\$108	Margin	\$93	\$84	\$102	\$122	\$92
Enrollment	22	17	15	14	13	Enrollment	25	26	27	28	29
Medicare Supplement	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020	Vision	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$7,308	\$6,908	\$6,571	\$6,318	\$6,122	Direct Written Premium	\$1,762	\$1,536	\$1,473	\$1,408	\$1,365
Net Earned Premium	\$7,253	\$6,861	\$6,492	\$6,227	\$6,023	Net Earned Premium	\$1,641	\$1,535	\$1,472	\$1,408	\$1,357
Total Hospital & Medical Exp	\$6,111	\$5,886	\$5,218	\$4,850	\$4,391	Total Hospital & Medical Exp	\$1,786	\$1,686	\$1,532	\$1,477	\$1,085
Loss Ratio	84.3%	85.8%	80.4%	77.9%	72.9%	Loss Ratio	108.9%	109.9%	104.1%	104.9%	80.0%
Net Premium PMPM	\$227	\$216	\$214	\$210	\$212	Net Premium PMPM	\$6	\$6	\$6	\$6	\$6
Claims PMPM	\$191	\$186	\$172	\$164	\$155	Claims PMPM	\$7	\$7	\$6	\$7	\$5
Margin	\$36	\$31	\$42	\$47	\$57	Margin	(\$1)	(\$1)	(\$0)	(\$0)	(\$1)
Enrollment	5	5	5	5	5	Enrollment	42	43	39	38	37
Dental	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020	FEHBP	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$8,240	\$8,150	\$7,721	\$7,392	\$6,719	Direct Written Premium	\$25,310	\$23,357	\$22,419	\$21,491	\$20,059
Net Earned Premium	\$7,761	\$7,703	\$7,277	\$7,005	\$5,878	Net Earned Premium	\$25,480	\$24,540	\$22,310	\$21,848	\$20,276
Total Hospital & Medical Exp	\$7,298	\$6,872	\$6,329	\$6,002	\$4,144	Total Hospital & Medical Exp	\$23,740	\$22,836	\$20,675	\$20,167	\$18,222
Loss Ratio	94.0%	89.2%	87.0%	85.7%	70.5%	Loss Ratio	93.2%	93.1%	92.7%	92.3%	89.9%
Net Premium PMPM	\$28	\$27	\$27	\$26	\$24	Net Premium PMPM	\$445	\$445	\$408	\$401	\$378
Claims PMPM	\$26	\$24	\$23	\$23	\$17	Claims PMPM	\$414	\$414	\$378	\$370	\$339
Margin	\$2	\$3	\$3	\$4	\$7	Margin	\$30	\$31	\$30	\$31	\$38
Enrollment	47	47	45	45	42	Enrollment	10	9	9	9	9
Medicare	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020	Medicaid	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$218,133	\$197,531	\$172,500	\$141,713	\$126,752	Direct Written Premium	\$151,929	\$166,757	\$156,257	\$134,720	\$118,435
Net Earned Premium	\$218,712	\$198,244	\$172,187	\$141,285	\$125,079	Net Earned Premium	\$154,282	\$166,670	\$155,688	\$132,903	\$113,488
Total Hospital & Medical Exp	\$187,286	\$167,613	\$143,454	\$121,156	\$97,530	Total Hospital & Medical Exp	\$143,592	\$144,239	\$128,676	\$113,412	\$96,841
Loss Ratio	85.6%	84.5%	83.3%	85.8%	78.0%	Loss Ratio	93.1%	86.5%	82.6%	85.3%	85.3%
Net Premium PMPM	\$1,339	\$1,283	\$1,197	\$1,123	\$1,100	Net Premium PMPM	\$517	\$447	\$448	\$425	\$423
Claims PMPM	\$1,146	\$1,085	\$997	\$963	\$858	Claims PMPM	\$481	\$387	\$370	\$363	\$361
Margin	\$192	\$198	\$200	\$160	\$242	Margin	\$36	\$60	\$78	\$62	\$62
Enrollment	27	26	24	21	19	Enrollment	49	62	59	54	48
Other Health	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020						
<i>(In Millions, Except PMPM)</i>											
Direct Written Premium	\$15,015	\$11,812	\$11,212	\$10,549	\$10,861						
Net Earned Premium	\$14,981	\$11,604	\$11,090	\$10,640	\$11,157						
Total Hospital & Medical Exp	\$13,451	\$12,584	\$11,041	\$10,606	\$11,092						
Loss Ratio	89.8%	108.4%	99.6%	99.7%	99.4%						
Net Premium PMPM	\$67	\$49	\$50	\$47	\$50						
Claims PMPM	\$60	\$53	\$49	\$46	\$50						
Margin	\$7	(\$4)	\$0	\$0	\$0						
Enrollment	41	43	38	38	38						

The CDC has reported over 6 million hospitalizations from COVID-19 nationwide and 1.2 million deaths since January 21, 2020. The health insurance industry reported a 56% (\$182 billion) increase in health benefit claims incurred between June 30, 2020, and June 30, 2024. However, in 2020 offsetting factors resulting from the pandemic appear to have reduced the overall financial impact on insurers such as reduced healthcare claims and decreased medical costs related

to cancelled or delayed utilization of healthcare benefits. These offsetting factors are also evident in the decreases in the loss ratios for several lines of business in 2020 as included in **Table 2** above.

This significant increase in hospital and medical benefits in 2021 through 2023 now places the Health insurance industry underwriting results more in line with financial results as reported pre-COVID19 pandemic in prior-year period 2019 in relation to underwriting gains, net income, loss and administrative expense ratios and profit margin.

IMPACT OF CHANGES IN THE HEALTH INSURANCE MARKET

Health insurers have encountered several changing market conditions that have the potential to significantly impact their solvency position over the past years, including the unwinding of the public health emergency, as well as the potential for rising healthcare costs due to inflation and provider consolidation.

The U.S. had been operating under a public health emergency (PHE) declared by the federal government since the start of the COVID-19 pandemic in March 2020. This declaration resulted in significantly expanded Medicaid or ACA coverage enrollment, as well as special coverage rules for COVID-19 vaccines, tests, and treatments. However, due to the 2023 Consolidated Appropriations Act and the expiration of the public health emergency which occurred on May 11, 2023, the Medicaid/ACA expansion has now almost entirely been phased out, which, as it now appears, has disrupted the health insurance market.

In what is described as “The Great Unwinding”, a total of approximately 54 million members had their coverage renewed whereas approximately 25 million were disenrolled in Medicaid during the process of Medicaid unwinding that occurred in all states. The unwinding was a response to the continuous enrollment policy that allowed for those enrolled in Medicaid to stay in the program throughout the public health emergency declared due to the pandemic. This unwinding was projected to have the potential to result in millions of consumers moving their coverage (or going without coverage), which could result in significant growth or loss of members across various health insurers. This disenrollment is significantly higher than the 15 to 20 million estimations made in early 2023 that would lose their coverage due to the unwinding.

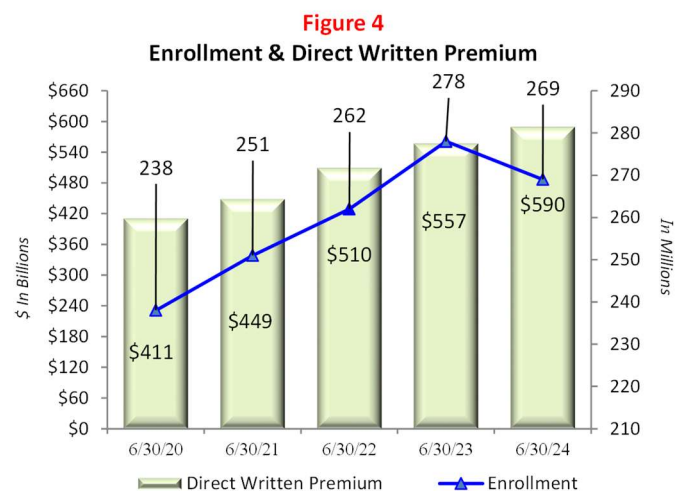
Insurers are also facing rising costs as they deal with inflationary pricing, and the continued trend of provider consolidation, which has the potential to continue to increase the cost of healthcare services and impact the underwriting performance of health insurers.

ENROLLMENT

As shown in **Figure 4**, the industry has experienced an incremental increase in total enrollment of 13% (30 million) to 269 million from 238 million through the second quarter of 2020. However, as shown here, enrollment decreased 3% (9 million) to 269 million through the second quarter of 2024 from 278 million in the prior year period.

The increase from 2020 is due primarily to:

- 75% (9 million) increase in individual comprehensive medical coverage;
- 42% (8 million) increase in Medicare;
- 16% (6 million) increase in vision coverage;
- 12% (5 million) increase in dental coverage;
- 9% (3 million) increase in policies that provide Medicare Part D drug coverage; and,
- 3% (2 million) increase in Medicaid.



However, these lines were partially offset by:

- 14% (4 million) decrease in the group comprehensive line of business from the first six months of 2020.

As indicated above, the industry still experienced considerable growth in both individual comprehensive health coverage and Medicare. However, as a result of increased unemployment rates caused by the pandemic, health care coverage had been disrupted for millions of people as most working-age adults received health insurance coverage for themselves and their families through their employer beginning in 2020. Many of those who lost health insurance coverage through their employer qualified for Medicaid or had the opportunity to purchase individual health coverage through the exchange or other managed care health providers. The shift in business concentration can also be 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. A certain amount of the Medicaid enrollment increase is due to the continued expansion of Medicaid programs in certain states.

Industry-wide, there were over 268 million members enrolled in various types of health insurance products, as shown on **Figure 5**. A shift in business concentration can be 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.

As depicted in **Figure 6**, health entities' earned premium per member per month (PMPM) increased 28% over a five-year period to \$364 from \$283 for the first six months of 2020, while claims PMPM increased 39% to \$318 from \$229. It is evident premium PMPM increased incrementally through the five years illustrated in the graph while claims PMPM decreased in 2020 due to decreased medical costs related to cancelled or delayed medical utilization of healthcare benefits. As shown in the graph, the margin in 2021 returned to a margin more comparable to the pre-pandemic periods due to insureds returning to seek medical treatment, procedures, and utilizing other medical benefits. The increase in the margin in the first six months of 2022 and 2021 can be attributed to the increases in direct premium written in Medicare, Medicaid, and individual comprehensive medical. While the margin leveled off in the first six months of 2023 and 2024 due to increased medical benefits paid out.

Figure 5
Enrollment by Line of Business

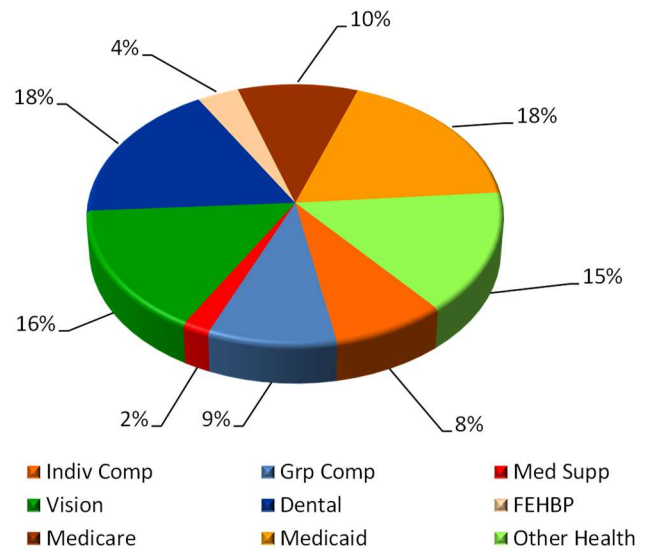
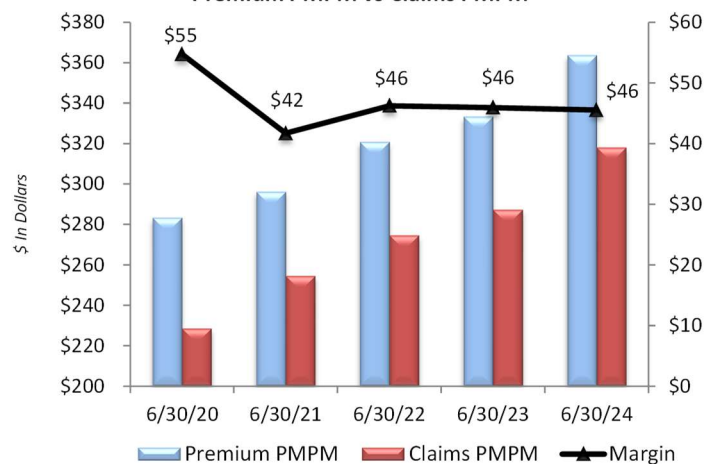


Figure 6
Premium PMPM vs Claims PMPM



PREMIUM REVENUES

Figure 4 above illustrates the growth in direct written premium. In comparison to the first six months of 2023, the industry reported a 6% (\$33 billion) increase in direct written premium to \$590 billion from \$557 billion. The increase is primarily on Medicare, and individual comprehensive lines of business.

Figure 7 illustrates the mix of direct written premium for the first six months of 2024. There has been a shift in the allocation of premium between the lines of business over the last five years. In comparison to the first half of 2023, Medicare increased to 38% from 36%, direct comprehensive medical increased to 32% from 30% of total written premium, while Medicaid decreased to under 26% from just under 30% and FEHBP remained unchanged at 4%.

Table 3 below provides a breakout of direct written premium by line of business. The largest dollar increase in written premium for the first six months of 2024 over the same period in the prior year was a 10% (\$21 billion) increase in Medicare, a 29% (\$16 billion) increase in individual comprehensive, and an 8% (\$2 billion) increase in Federal Employee Health Benefit Plan while the Medicaid line of business incurred a 9% (\$15 billion) decrease. It should be noted that the decrease in Medicaid direct written premium for the six-month period of 2024 is due primarily to the cancellation of the Public Health Emergency declaration and what is described as “the Great Unwinding” of Medicaid or ACA healthcare coverage.

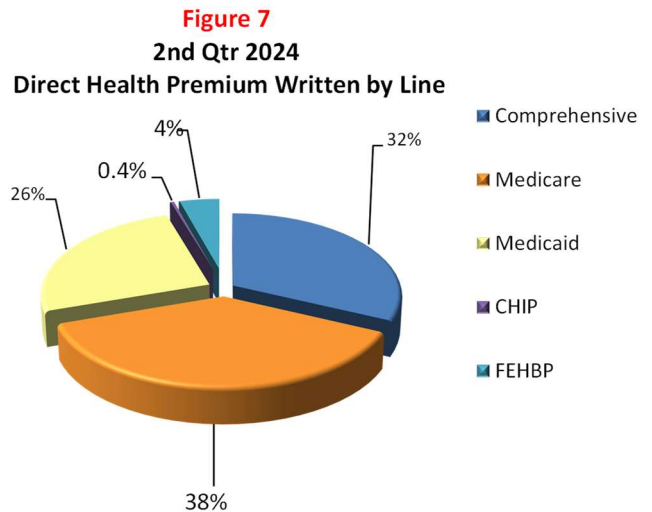


Table 3

Direct Written Premium by Lines of Business

<i>(In Millions)</i>	Chg.	\$ Chg.	2Q 2024	2Q 2023	2Q 2022	2Q 2021	2Q 2020
Individual Comprehensive	28.7%	\$15,737	\$70,581	\$54,844	\$47,979	\$41,421	\$38,978
Group Comprehensive	0.9%	\$792	\$86,768	\$85,976	\$84,585	\$83,042	\$83,226
Medicare Supplement	5.8%	\$400	\$7,308	\$6,908	\$6,571	\$6,318	\$6,122
Vision	14.7%	\$226	\$1,762	\$1,536	\$1,473	\$1,408	\$1,365
Dental	1.1%	\$90	\$8,240	\$8,150	\$7,721	\$7,392	\$6,719
FEHBP	8.4%	\$1,953	\$25,310	\$23,357	\$22,419	\$21,491	\$20,059
Medicare	10.4%	\$20,602	\$218,133	\$197,531	\$172,500	\$141,713	\$126,752
Medicaid	(8.9)%	(\$14,828)	\$151,929	\$166,757	\$156,257	\$134,720	\$118,435
Other Health	26.9%	\$3,183	\$15,016	\$11,833	\$11,212	\$10,549	\$10,861

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. The state of Florida reports the greatest dollar amount of direct written premium on both the comprehensive medical and Medicare lines of business through the second quarter of 2024. Florida recorded over \$20 billion in comprehensive medical premium after recording a 23% increase from the prior-year quarter while recording over \$23 billion in Medicare premium, which is a 5% increase from the prior-year quarter. The state of Texas reported just under \$15 billion in Medicaid premium which is an 18% decrease from the prior-year quarter. The state of Maryland reported over \$2 billion in premium revenue for the federal employee health benefit plan line of business including a 5% increase over the prior-year quarter.

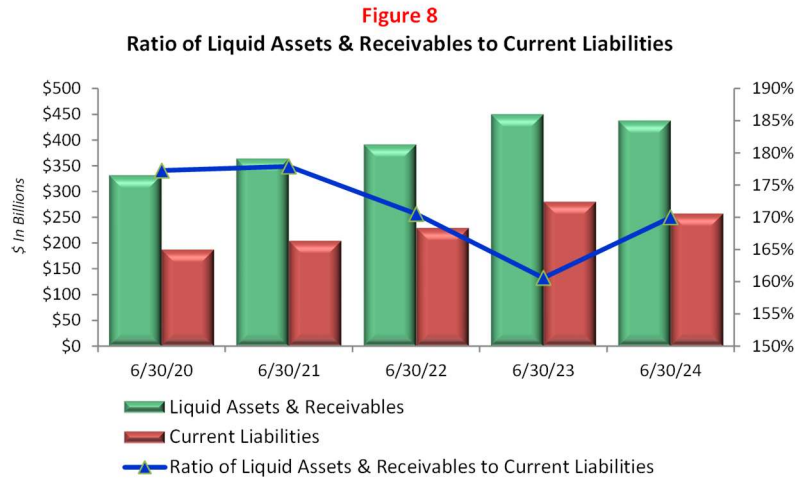
Table 4 - Direct Written Premium by Line of Business by State
As reported on Schedule T

State	Comprehensive Medical			Medicare			Medicaid			FEHBP		
	2Q 2024	2Q 2023	% Chg.	2Q 2024	2Q 2023	% Chg.	2Q 2024	2Q 2023	% Chg.	2Q 2024	2Q 2023	% Chg.
Alabama	\$3,331	\$3,217	3.5%	\$4,778	\$4,335	10.2%	\$25	\$19	34.0%	\$517	\$482	7.4%
Alaska	\$412	\$338	21.9%	\$4	\$3	12.7%	\$0	\$0	0.0%	\$316	\$304	3.9%
Arizona	\$2,466	\$2,076	18.8%	\$4,425	\$4,023	10.0%	\$91	\$138	(34.0)%	\$412	\$391	5.5%
Arkansas	\$2,139	\$2,177	(1.7)%	\$2,383	\$2,129	11.9%	\$558	\$793	(29.7)%	\$194	\$167	15.9%
California	\$1,820	\$1,377	32.2%	\$3,066	\$2,684	14.2%	\$0	\$0	0.0%	\$3	\$3	3.3%
Colorado	\$2,983	\$2,711	10.0%	\$3,692	\$3,321	11.2%	\$674	\$757	(11.0)%	\$504	\$504	0.1%
Connecticut	\$1,673	\$1,550	7.9%	\$2,491	\$2,282	9.2%	\$0	\$0	0.0%	\$196	\$185	5.7%
Delaware	\$466	\$409	13.8%	\$488	\$416	17.3%	\$0	\$0	0.0%	\$117	\$108	8.3%
District of Columbia	\$1,252	\$1,167	7.3%	\$316	\$283	11.7%	\$970	\$1,029	(5.7)%	\$910	\$899	1.2%
Florida	\$20,570	\$16,694	23.2%	\$23,419	\$22,407	4.5%	\$10,475	\$11,221	(6.6)%	\$1,689	\$1,513	11.6%
Georgia	\$6,712	\$5,069	32.4%	\$8,063	\$7,255	11.1%	\$2,632	\$3,806	(30.8)%	\$949	\$975	(2.7)%
Hawaii	\$1,953	\$1,839	6.2%	\$1,198	\$1,122	6.8%	\$1,174	\$1,082	8.5%	\$294	\$280	5.1%
Idaho	\$1,356	\$1,238	9.5%	\$1,140	\$1,037	9.9%	\$240	\$276	(12.8)%	\$135	\$146	(7.6)%
Illinois	\$9,972	\$9,361	6.5%	\$6,787	\$6,001	0.0%	\$9,248	\$9,329	(0.9)%	\$733	\$621	18.1%
Indiana	\$2,494	\$1,999	24.7%	\$4,829	\$4,283	12.8%	\$4,475	\$5,055	(11.5)%	\$410	\$386	6.0%
Iowa	\$2,239	\$2,088	7.2%	\$1,719	\$1,512	13.7%	\$3,256	\$3,246	0.3%	\$184	\$151	22.1%
Kansas	\$843	\$756	11.5%	\$1,363	\$1,325	2.9%	\$2,352	\$2,326	1.1%	\$74	\$73	1.1%
Kentucky	\$2,158	\$1,808	19.4%	\$3,966	\$3,536	12.2%	\$5,401	\$5,553	(2.7)%	\$294	\$294	(0.3)%
Louisiana	\$2,344	\$2,195	6.8%	\$4,020	\$3,637	10.5%	\$5,721	\$5,943	(3.7)%	\$277	\$261	6.3%
Maine	\$969	\$920	5.3%	\$1,209	\$1,057	14.3%	\$0	\$0	0.0%	\$147	\$129	14.4%
Maryland	\$2,825	\$2,590	9.1%	\$2,123	\$1,791	18.6%	\$1,827	\$1,877	(2.6)%	\$2,258	\$2,149	5.1%
Massachusetts	\$7,474	\$7,084	5.5%	\$2,495	\$2,229	11.9%	\$4,146	\$3,749	10.6%	\$508	\$456	11.3%
Michigan	\$7,901	\$7,437	6.2%	\$9,126	\$8,119	12.4%	\$3,725	\$4,673	(20.3)%	\$514	\$465	10.5%
Minnesota	\$3,570	\$3,364	6.1%	\$4,028	\$3,598	12.0%	\$4,737	\$5,222	(9.3)%	\$436	\$388	12.6%
Mississippi	\$1,495	\$1,192	25.4%	\$2,000	\$1,730	15.6%	\$1,299	\$1,058	22.8%	\$199	\$221	(9.9)%
Missouri	\$2,635	\$2,339	12.6%	\$5,468	\$4,874	12.2%	\$2,328	\$2,881	(19.2)%	\$456	\$405	12.6%
Montana	\$678	\$598	13.3%	\$463	\$416	11.4%	\$0	\$0	0.0%	\$130	\$113	14.9%
Nebraska	\$1,314	\$1,175	11.8%	\$975	\$814	19.9%	\$1,086	\$1,203	(9.7)%	\$163	\$169	(3.5)%
Nevada	\$1,359	\$1,375	(1.2)%	\$2,325	\$2,264	2.7%	\$1,275	\$1,200	6.2%	\$154	\$142	9.0%
New Hampshire	\$943	\$893	5.6%	\$686	\$554	24.0%	\$577	\$628	(8.0)%	\$189	\$172	10.4%
New Jersey	\$5,019	\$4,684	7.2%	\$8,119	\$3,879	109.3%	\$4,001	\$7,958	(49.7)%	\$617	\$563	9.5%
New Mexico	\$621	\$557	11.5%	\$1,468	\$1,336	9.9%	\$2,999	\$3,109	(3.6)%	\$208	\$210	(0.6)%
New York	\$12,722	\$11,986	6.1%	\$13,128	\$11,750	11.7%	\$5,245	\$5,851	(10.4)%	\$991	\$907	9.3%
North Carolina	\$5,857	\$5,233	11.9%	\$8,540	\$7,585	12.6%	\$5,315	\$4,179	0.0%	\$786	\$689	14.1%
North Dakota	\$965	\$888	8.7%	\$263	\$183	44.3%	\$154	\$207	(25.5)%	\$78	\$75	4.3%
Ohio	\$5,258	\$4,769	10.2%	\$10,273	\$9,227	11.3%	\$9,529	\$9,517	0.1%	\$765	\$785	(2.5)%
Oklahoma	\$2,716	\$2,132	27.4%	\$2,296	\$2,199	4.4%	\$715	\$0	0.0%	\$418	\$366	14.2%
Oregon	\$3,322	\$3,217	3.3%	\$3,400	\$3,068	10.8%	\$423	\$4,136	(89.8)%	\$320	\$282	13.7%
Pennsylvania	\$7,336	\$6,934	5.8%	\$10,815	\$9,734	0.0%	\$16,346	\$16,359	(0.1)%	\$1,067	\$897	18.9%
Rhode Island	\$682	\$637	7.0%	\$1,811	\$1,680	7.8%	\$327	\$367	(11.0)%	\$76	\$76	0.3%
South Carolina	\$3,248	\$2,654	22.4%	\$3,822	\$3,440	11.1%	\$2,260	\$1,971	14.7%	\$384	\$338	13.7%
South Dakota	\$797	\$786	1.4%	\$325	\$263	23.8%	\$0	\$0	0.0%	\$131	\$102	28.2%
Tennessee	\$3,452	\$2,721	26.8%	\$6,007	\$5,406	11.1%	\$3,438	\$3,438	(0.0)%	\$468	\$458	2.3%
Texas	\$19,809	\$16,013	23.7%	\$21,239	\$19,762	7.5%	\$14,716	\$17,941	(18.0)%	\$1,920	\$1,469	30.7%
Utah	\$2,275	\$1,976	15.1%	\$1,627	\$1,395	16.6%	\$384	\$647	(40.6)%	\$380	\$343	10.9%
Vermont	\$458	\$399	14.7%	\$320	\$272	17.6%	\$0	\$0	0.0%	\$69	\$59	16.9%
Virginia	\$3,887	\$3,772	3.0%	\$4,533	\$3,982	13.8%	\$7,428	\$7,646	(2.9)%	\$1,702	\$1,691	0.6%
Washington	\$5,050	\$4,895	3.2%	\$4,758	\$4,376	8.7%	\$4,152	\$4,457	(6.8)%	\$635	\$623	2.0%
West Virginia	\$744	\$780	(4.7)%	\$1,766	\$1,539	14.7%	\$1,010	\$1,250	(19.2)%	\$306	\$259	17.9%
Wisconsin	\$4,471	\$4,175	7.1%	\$4,510	\$4,036	11.7%	\$2,047	\$1,540	32.9%	\$410	\$364	12.7%
Wyoming	\$380	\$358	6.2%	\$127	\$83	53.1%	\$0	\$0	0.0%	\$73	\$63	15.9%
American Samoa	\$0	\$4,087	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
Guam	\$28	\$57	(50.5)%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$14	\$13	11.5%
Puerto Rico	\$706	\$663	6.4%	\$4,356	\$4,147	0.0%	\$2,193	\$1,973	11.2%	\$126	\$119	0.0%
U.S. Virgin Islands	\$2	\$4	(43.5)%	\$24	\$23	0.0%	\$0	\$0	0.0%	\$2	\$1	118.7%
Northern Mariana Islands	\$2	\$1	37.3%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
Aggregate Other Alien	\$49	\$51	(2.5)%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
Grand Totals	\$188,201	\$167,379	12.4%	\$222,574	\$198,402	12.2%	\$150,975	\$165,619	(8.8)%	\$25,310	\$23,301	8.6%

CASH FLOW AND LIQUIDITY

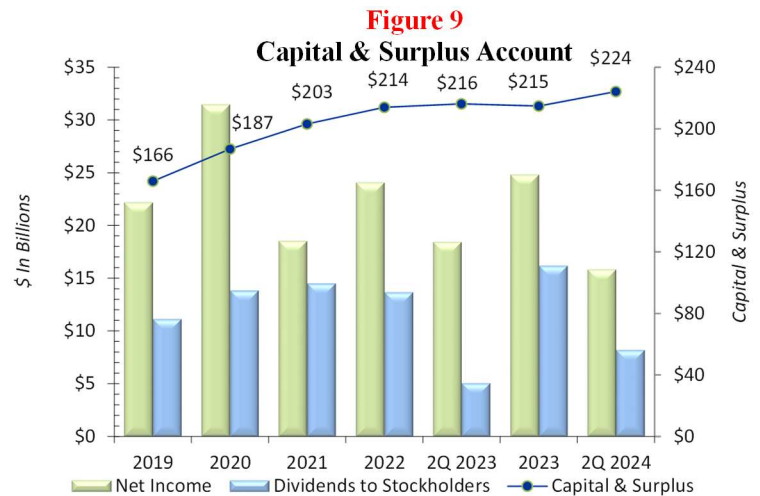
The health insurance industry reported a significant decrease in operating cash flow to \$9 billion in the first half of 2024 as compared to operating cash flow of \$67 billion in the first half of 2023. The considerable decrease in positive cash flow is due primarily to a 7% (\$32 billion) increase in benefits and loss-related payments partially offset by a 3% (\$16 billion) decrease in premiums collected.

As illustrated in **Figure 8**, liquid assets and receivables decreased 3% (\$13 billion) to \$438 billion in the first six months of 2024 as compared to the prior year period while current liabilities decreased 8% (\$23 billion) to \$258 billion. This resulted in an increase in the ratio of liquid assets and receivables to current liabilities to 170% from 161% for the period ended June 30, 2023.



CAPITAL AND SURPLUS

Health entities reported a 4% (\$9 billion) increase in capital and surplus to over \$224 billion from just under \$215 billion at Dec. 31, 2023, as illustrated in **Figure 9**. The increase is due primarily to net income of \$16 billion, a \$2 billion increase in unrealized capital gains and an additional paid-in surplus of over \$2 billion. However, these items were partially offset by dividends of \$8 billion paid to stockholders, and a \$2 billion increase in non-admitted assets.



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Disclaimer: The NAIC 2024 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, 2024, 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.