

U.S. Health Insurance Industry Analysis Report

HEALTH INDUSTRY OVERVIEW

Table 1 below provides a five-year mid-year 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 \$25.1 billion, a 181.8% increase from approximately \$8.9 billion for the same period a year earlier. Similarly, net income increased 127.6% to approximately \$27.7 billion for the first six months of 2026 compared to the same period in the prior year. The industry's profit margin increased 2.3 points to 4.1% from 1.8%, while the combined ratio decreased by 240 basis points from 98.7% to 96.3%.

Inside the Report

Page No.

Industry Overview	1
Net Earnings	2
Underwriting Results	2
Impact of Changes in the Health Insurance Market	3
Enrollment	5
Premium Revenues	6
Cash Flow and Liquidity	9
Capital and Surplus	9

Notable items as compared to mid-year 2025 include the following:

- Hospital & medical expenses decreased 1.6% (\$9.7 billion)
- Underwriting Gain of 181.8% (\$16.2 billion)
- Profit Margin increased 2.3 percentage points
- Enrollment decreased by 1.6% (4 million)
- Cash flow from operations increased 739.9% to \$41.7 billion from \$5 billion
- Capital and surplus increased 8.8%

Table 1

Financial Summary: June 30, 2026 - 2022

(In Millions)	Change	2Q 2026	2Q 2025	2Q 2024	2Q 2023	2Q 2022
Direct Written Premium	7.9%	\$735,785	\$681,883	\$590,021	\$557,138	\$509,645
Net Earned Premium	0.9%	\$671,899	\$665,668	\$577,368	\$548,107	\$502,910
Net Investment Income Earned	9.7%	\$7,563	\$6,893	\$6,914	\$5,916	\$2,966
Underwriting Gain/Loss	181.8%	\$25,096	\$8,906	\$12,123	\$17,649	\$18,625
Net Income/Loss	127.6%	\$27,655	\$12,153	\$15,821	\$18,425	\$17,210
Total Hospital & Medical Exp.	(1.6)%	\$580,656	\$590,373	\$508,201	\$473,189	\$429,818
Loss Ratio	(2.6) pts	86.0%	88.6%	87.1%	85.6%	85.0%
Administrative Expenses	2.7%	\$69,168	\$67,373	\$63,434	\$61,921	\$57,168
Administrative Expense Ratio	0.2 pts	10.3%	10.1%	10.9%	11.2%	11.3%
Combined Ratio	(2.4) pts	96.3%	98.7%	97.9%	96.8%	96.3%
Profit Margin	2.3 pts	4.1%	1.8%	2.7%	3.3%	3.4%
Enrollment	(1.6)%	294	298	269	278	262
Premium PMPM	1.1%	\$385	\$380	\$364	\$333	\$321
Claims PMPM	(1.8)%	\$332	\$338	\$318	\$287	\$275
Cash Flow from Operations	739.9%	\$41,686	\$4,963	\$9,082	\$66,974	\$26,334
# of Companies Filed	(5)	1,151	1,156	1,147	1,179	1,163

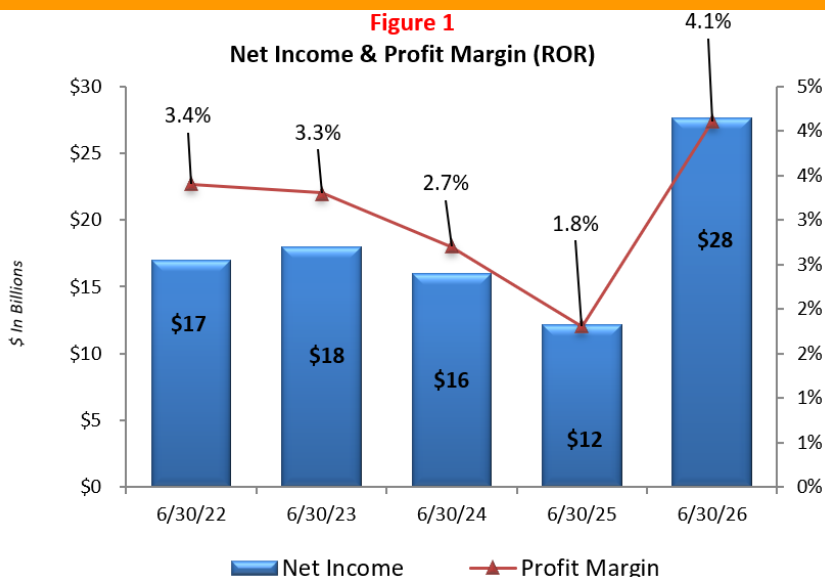
*All figures only include health entities that file financial statements with the NAIC.

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

NET EARNINGS

Net income increased 127.6% to approximately \$27.7 billion for the first six months of 2026, compared with approximately \$12.1 billion for the same period in 2025. Underwriting gains increased 181.8% (\$16.2 billion) to \$25.1 billion from approximately \$8.9 billion. The improvement was supported by a 1.6% (\$9.7 billion) decrease in hospital and medical expenses. The industry's combined ratio decreased 240 basis points to 96.3% from 98.7%. The industry's profit margin increased to 4.1% from 1.8% over the same period.

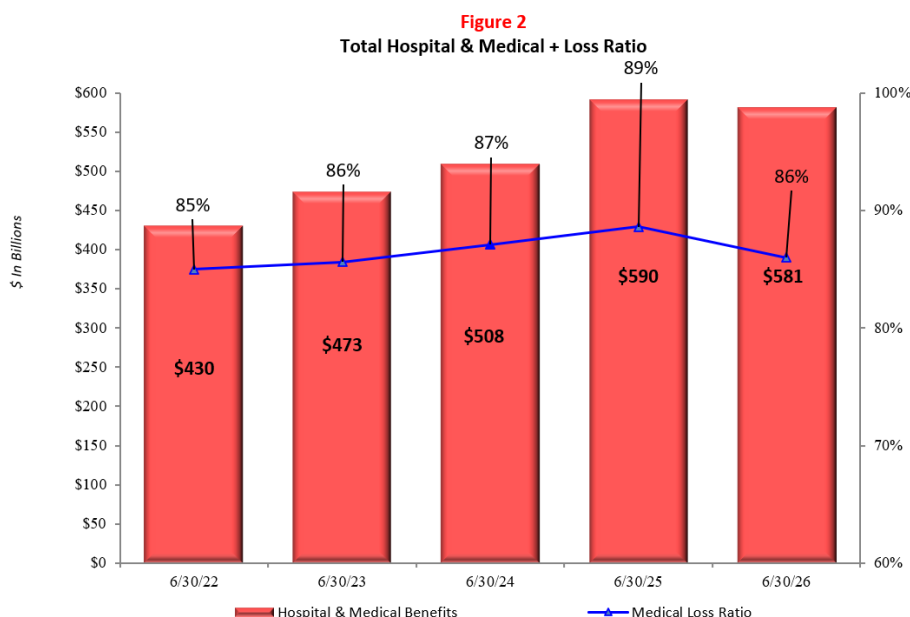
Figure 1 illustrates the improvement in profitability through mid-year 2026. Net income rose by approximately \$15.6 billion year over year, while the profit margin increased 2.3 percentage points, from 1.8% at mid-year 2025 to 4.1% at mid-year 2026.



UNDERWRITING RESULTS

As indicated on **Table 1** (Financial Summary), the increase in the industry's underwriting results is attributed in part to a 1.6% (\$9.7 billion) decrease in total hospital and medical expenses through mid-year 2026 compared with the same period in 2025. The industry also reported a 2.7% (\$1.8 billion) increase in claims adjustment and administrative expenses to \$69.2 billion from approximately \$67.4 billion at mid-year 2025, resulting in a modest 10 basis point decrease in the administrative expense ratio to 10%. The industry partially offset these expenses with a 0.9% (\$6.2 billion) increase in net earned premiums.

Figure 2 illustrates the 1.6% (\$9.7 billion) decrease in total hospital and medical benefits for the first six months of 2026 as compared with 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, but this trend has now reversed as insurers have adjusted pricing to account for an aging population with increasing



utilization, high prescription drug costs, and more expensive procedures and technology. Insurers have also retrenched from unprofitable markets, especially in the Medicare Advantage line of business.

Figure 3 illustrates the comparison in claims adjustment and administrative expenses through mid-year 2026 and the four prior years.

The changes in the loss ratio and administrative expense ratio resulted in a 240-basis point decrease in the combined ratio, from 98.7% at mid-year 2025 to 96.3% at mid-year 2026.

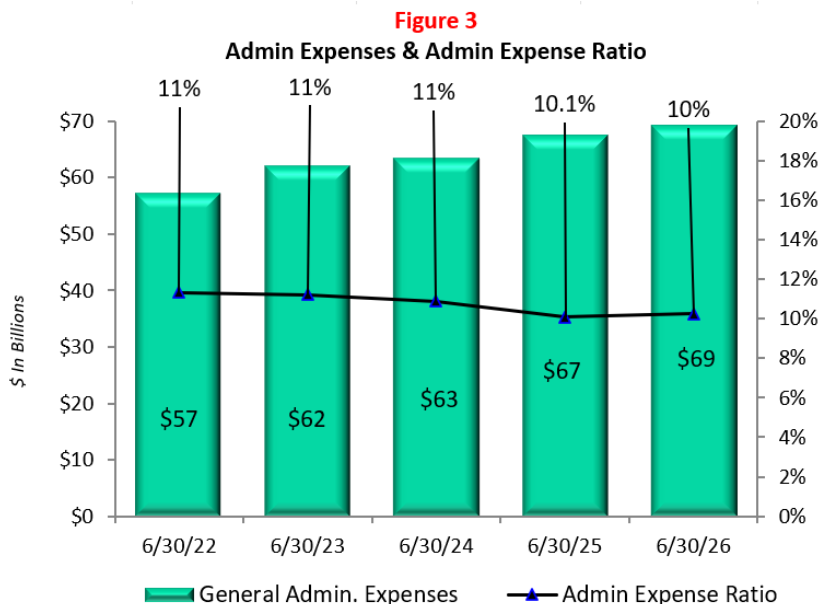
Table 2 below provides data from the Exhibit of Premiums, Enrollment, and Utilization by Line of Business. The table includes a comparison of direct and earned premium, claims, loss ratio, net premium and claims per member per month, and enrollment through mid-year 2026 and the four prior years.

Table 2 shows the strain that the industry experienced in 2024 and 2025 has thus far reversed in a meaningful way. Loss ratios in the major categories are now similar to the levels that they were in 2023: Medicaid (89.1% in 2026 vs 86.5% in 2023), Medicare (83.4% in 2026 vs 84.5% in 2023), individual comprehensive (79.4% in 2026 vs 78.6% in 2023), and group comprehensive (84.3% in 2026 vs 84.5% in 2023).

Though the increase in total hospital and medical expenses over the five-year period is significant, the industry has implemented significant rate increases in 2026 with the most notable being the ACA marketplace increases of 20%, which has contributed to the industry's swing back to profitability.

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. Now for 2026 and largely starting in 2027, the effects of the One Big Beautiful Bill (OBBBA) will significantly affect the government sponsored lines of businesses, especially the Medicaid line. Beginning in 2027, 44 states (including DC) will implement new work requirements (section 71119 of the OBBBA). This means that the adult group of able-bodied adults up ~138% of the poverty level (from the ACA expansion) must put in 80 hours a month towards work, community service, work program, half-time education, or some combination thereof. Next, bi-annual eligibility redeterminations (section 71107) will take place, which will create an administrative burden on the states and will require the adult group to be redetermined twice a year. Finally, there will be a shortened retroactive coverage period which will be reduced from three months to one month for the ACA expansion adult group and two months for everyone else. All of these new implementations of provisions for the OBBBA will ultimately create churn and volatility for the insurers who offer Medicaid plans.



As the data below demonstrates, the Medicaid segment has already experienced significant enrollment loss with enrollment declining 8% from mid-year 2025 and nearly 26% from mid-year 2023. Furthermore, an aging population continues the growth of Medicare Advantage, but growth slowed to just 2% for the period measured. There will be additional pressure on Medicare Advantage starting in 2027 as CMS announced that diagnoses that come from unlinked chart reviews and are not associated with an actual provider encounter will no longer be considered in the risk adjustment payment that the Medicare Advantage insurer receives. In contrast to the continued growth of Medicare, the largest decline of any line is individual comprehensive, which has decreased 18.6% (from 23.3 million to 19.1 million) and was caused by the expiration of the enhanced premium tax credits. Continued federal enforcement of eligibility verification will put strain on ACA plan enrollment as we just saw 760,000 plans cancelled that included many phantom enrollees with additional crackdowns ¹.

Table 2 Exhibit of Premiums, Enrollment & Utilization by Lines of Business										
Individual Comprehensive Hospital & Medical						Group Comprehensive Hospital & Medical				
	2Q 2026	2Q 2025	2Q 2024	2Q 2023	2Q 2022		2Q 2026	2Q 2025	2Q 2024	2Q 2023
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>				
Direct Written Premium	\$78,212	\$80,094	\$70,581	\$54,844	\$47,979	Direct Written Premium	\$98,113	\$96,971	\$86,768	\$85,976
Net Earned Premium	\$77,858	\$79,182	\$69,595	\$52,864	\$47,506	Net Earned Premium	\$97,979	\$96,631	\$86,532	\$85,651
Total Hospital & Medical Exp	\$61,816	\$67,111	\$51,896	\$41,568	\$37,019	Total Hospital & Medical Exp	\$82,550	\$83,160	\$72,572	\$72,404
Loss Ratio	79.4%	84.8%	74.6%	78.6%	77.9%	Loss Ratio	84.3%	86.1%	83.9%	84.5%
Net Premium PMPM	\$671	\$567	\$548	\$531	\$528	Net Premium PMPM	\$653	\$601	\$574	\$542
Claims PMPM	\$533	\$481	\$408	\$418	\$411	Claims PMPM	\$550	\$517	\$482	\$458
Margin	\$138	\$86	\$139	\$114	\$114	Margin	\$103	\$84	\$93	\$84
Enrollment	19	23	22	17	15	Enrollment	25	26	25	26
Medicare Supplement						Vision				
	2Q 2026	2Q 2025	2Q 2024	2Q 2023	2Q 2022		2Q 2026	2Q 2025	2Q 2024	2Q 2023
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>				
Direct Written Premium	\$9,689	\$8,251	\$7,308	\$6,908	\$6,571	Direct Written Premium	\$1,779	\$1,725	\$1,762	\$1,536
Net Earned Premium	\$9,607	\$8,214	\$7,253	\$6,861	\$6,492	Net Earned Premium	\$1,772	\$1,720	\$1,641	\$1,535
Total Hospital & Medical Exp	\$7,664	\$7,009	\$6,111	\$5,886	\$5,218	Total Hospital & Medical Exp	\$2,118	\$1,927	\$1,786	\$1,686
Loss Ratio	79.8%	85.3%	84.3%	85.8%	80.4%	Loss Ratio	119.6%	112.0%	108.9%	109.9%
Net Premium PMPM	\$265	\$241	\$227	\$216	\$214	Net Premium PMPM	\$6	\$6	\$6	\$6
Claims PMPM	\$211	\$206	\$191	\$186	\$172	Claims PMPM	\$8	\$7	\$7	\$7
Margin	\$54	\$35	\$36	\$31	\$42	Margin	(\$1)	(\$1)	(\$1)	(\$1)
Enrollment	6	6	5	5	5	Enrollment	46	46	42	43
Dental						FEHBP				
	2Q 2026	2Q 2025	2Q 2024	2Q 2023	2Q 2022		2Q 2026	2Q 2025	2Q 2024	2Q 2023
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>				
Direct Written Premium	\$10,443	\$10,064	\$8,240	\$8,150	\$7,721	Direct Written Premium	\$27,334	\$28,902	\$25,310	\$23,357
Net Earned Premium	\$10,077	\$9,652	\$7,761	\$7,703	\$7,277	Net Earned Premium	\$27,638	\$27,100	\$25,480	\$24,540
Total Hospital & Medical Exp	\$8,982	\$8,816	\$7,298	\$6,872	\$6,329	Total Hospital & Medical Exp	\$25,661	\$25,445	\$23,740	\$22,836
Loss Ratio	89.1%	91.3%	94.0%	89.2%	87.0%	Loss Ratio	92.8%	93.9%	93.2%	93.1%
Net Premium PMPM	\$31	\$30	\$28	\$27	\$27	Net Premium PMPM	\$494	\$479	\$445	\$445
Claims PMPM	\$27	\$27	\$26	\$24	\$23	Claims PMPM	\$459	\$450	\$414	\$414
Margin	\$3	\$3	\$2	\$3	\$3	Margin	\$35	\$29	\$30	\$31
Enrollment	55	55	47	47	45	Enrollment	9	10	10	9
Medicare						Medicaid				
	2Q 2026	2Q 2025	2Q 2024	2Q 2023	2Q 2022		2Q 2026	2Q 2025	2Q 2024	2Q 2023
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>				
Direct Written Premium	\$277,667	\$253,090	\$218,133	\$197,531	\$172,500	Direct Written Premium	\$188,939	\$177,722	\$151,929	\$166,757
Net Earned Premium	\$277,258	\$252,898	\$218,712	\$198,244	\$172,187	Net Earned Premium	\$188,875	\$177,883	\$154,282	\$166,670
Total Hospital & Medical Exp	\$231,218	\$219,591	\$187,286	\$167,613	\$143,454	Total Hospital & Medical Exp	\$168,301	\$162,608	\$143,592	\$144,239
Loss Ratio	83.4%	86.8%	85.6%	84.5%	83.3%	Loss Ratio	89.1%	91.4%	93.1%	86.5%
Net Premium PMPM	\$1,584	\$1,477	\$1,339	\$1,283	\$1,197	Net Premium PMPM	\$674	\$586	\$517	\$447
Claims PMPM	\$1,321	\$1,282	\$1,146	\$1,085	\$997	Claims PMPM	\$600	\$536	\$481	\$387
Margin	\$263	\$194	\$192	\$198	\$200	Margin	\$73	\$50	\$36	\$60
Enrollment	29	29	27	26	24	Enrollment	46	50	49	62
Other Health										
	2Q 2026	2Q 2025	2Q 2024	2Q 2023	2Q 2022		2Q 2026	2Q 2025	2Q 2024	2Q 2023
<i>(In Millions, Except PMPM)</i>										
Direct Written Premium	\$39,827	\$32,994	\$15,015	\$11,812	\$11,212					
Net Earned Premium	\$39,417	\$31,783	\$14,981	\$11,604	\$11,090					
Total Hospital & Medical Exp	\$33,705	\$26,867	\$13,451	\$12,584	\$11,041					
Loss Ratio	85.5%	84.5%	89.8%	108.4%	99.6%					
Net Premium PMPM	\$122	\$106	\$67	\$49	\$50					
Claims PMPM	\$105	\$90	\$60	\$53	\$49					
Margin	\$18	\$16	\$7	(\$4)	\$0					
Enrollment	56	50	41	43	38					

¹ <https://www.cms.gov/newsroom/press-releases/cms-cracks-down-fraud-waste-abuse-federal-health-insurance-marketplacer>

ENROLLMENT

As shown in **Figure 4**, the industry has experienced a slight decrease in total enrollment of 1.3% (~4 million) to 294 million from 298 million through mid-year 2026. This comes after a year of a significant increase from mid-year 2024 to mid-year 2025 of 29 million people.

The largest decrease occurred in the individual comprehensive line of business, which saw an 18.6% decrease from mid-year 2025 and was caused by expiration of the enhanced premium tax credits. It's also notable that the group comprehensive line decreased 6.6% as the demography of the country continues to trend towards older adults leaving the workforce and not being replaced at the same pace it once was. 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. In this graph we see a slow decline happening in the group comprehensive

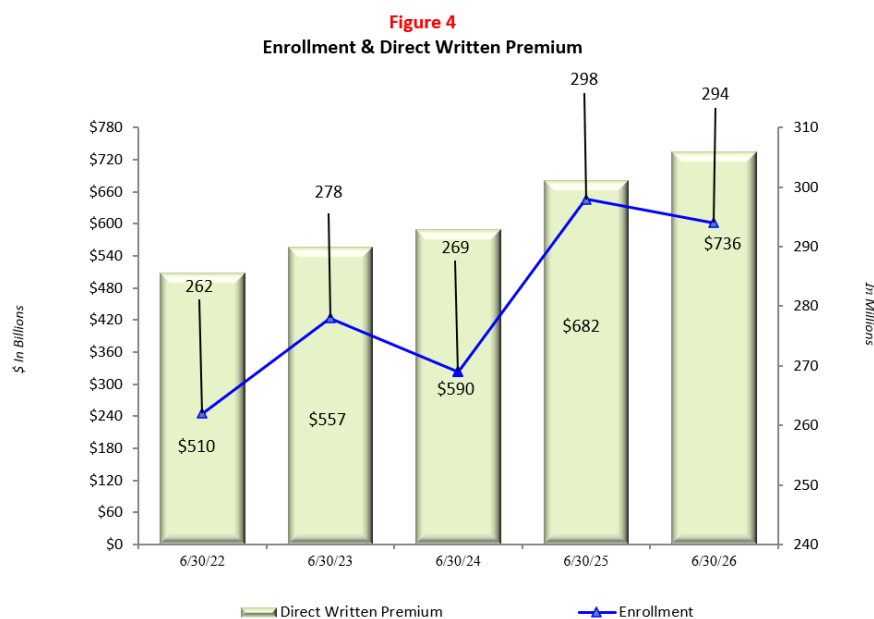
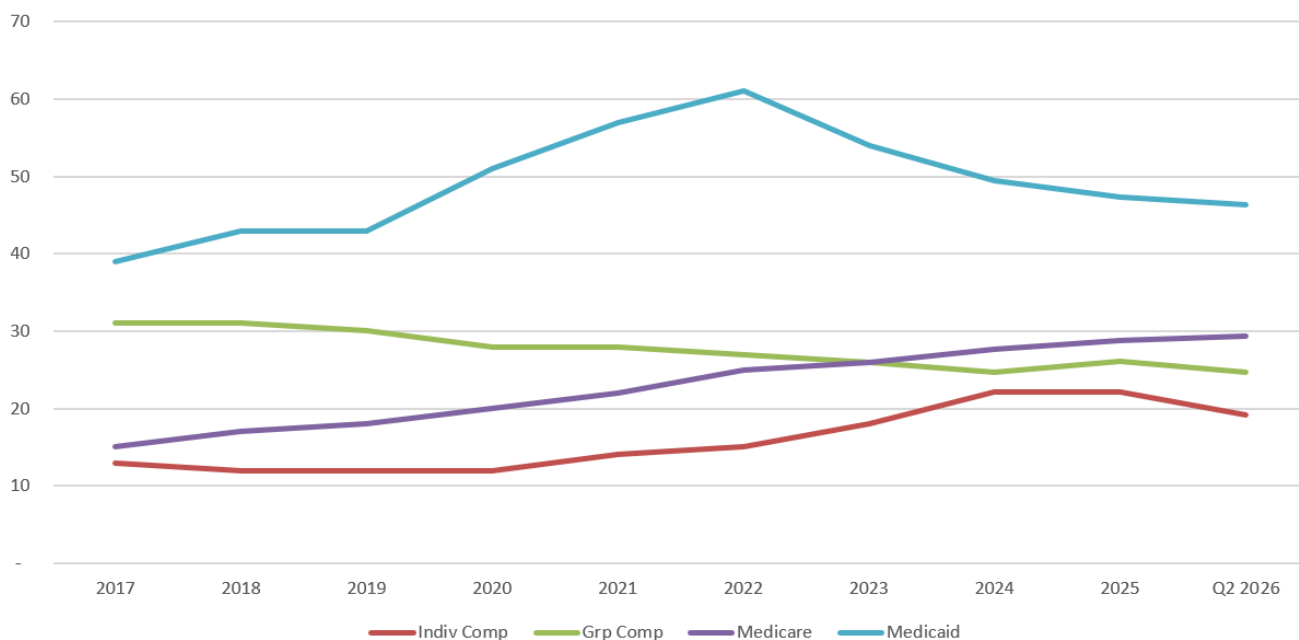


Figure 4b
10 Year Enrollment Trend



business (which could be a trend we continue to see happening as the population ages), and after a short plateauing period in the individual comprehensive line, we are now seeing declines. In addition, Medicare Advantage enrollment continues to grow, although at a slower pace, while Medicaid enrollment continues to decline. Initially

driven by eligibility redeterminations, the Medicaid decline is now being compounded by stricter income and eligibility verification requirements, with provisions of the One Big Beautiful Bill expected to place further downward pressure on enrollment.

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 294 million total members enrolled in various types of health insurance products. **Figure 5** shows the breakdown by line of business at mid-year 2026. 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. As depicted in **Figure 6**, health entities earned premium per member per month (PMPM) increased nearly 20% over a five-year period to \$384.5 at mid-year 2026 compared to just \$320.8 for mid-year 2022, while claims PMPM increased nearly 21% to \$332.1 from \$274.6.

Margins, on a PMPM dollar basis, after declining for 5 straight years now are \$52.4 at mid-year 2026, versus \$41.9 at mid-year 2025. This increasing margin is the largest margin since mid-year 2020 when the margin PMPM was \$54.7. As such, profit margins for the industry (as seen in Figure 1) stand at 4.1% through mid-year 2026 which is the best profit margin since mid-year 2020 (5.3%).

Figure 5
Enrollment by Line of Business

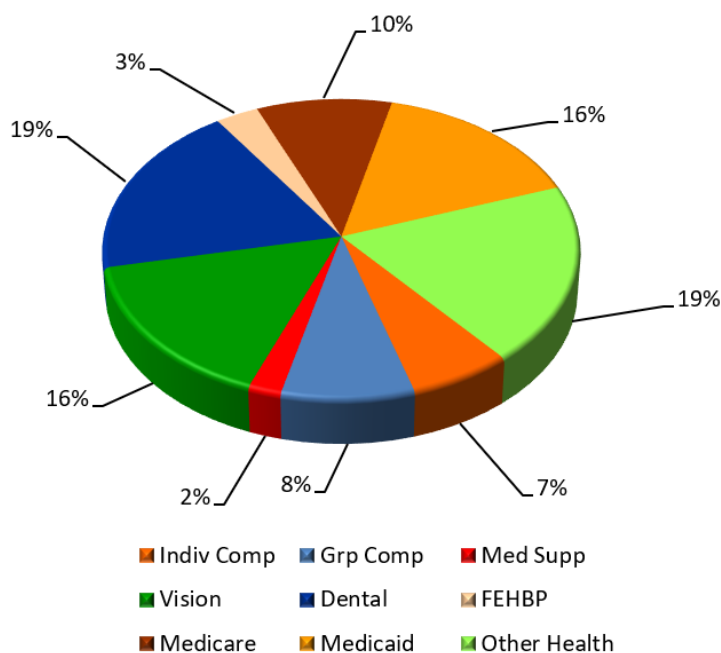
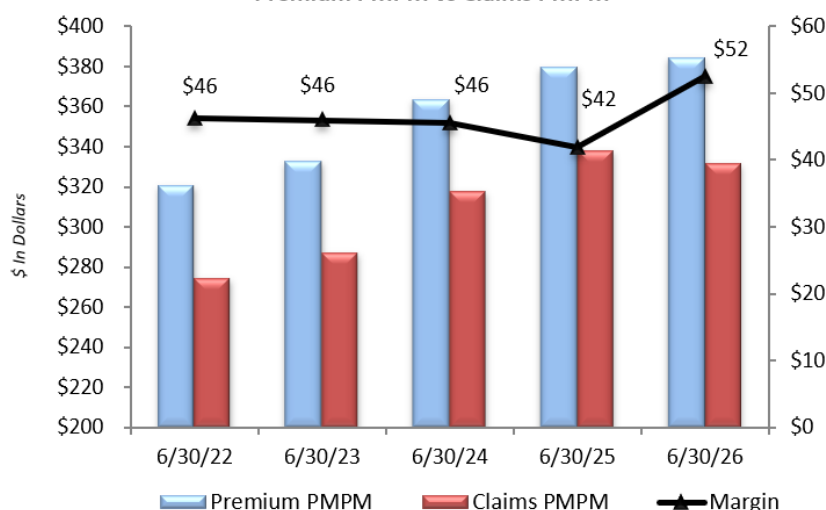


Figure 6
Premium PMPM vs Claims PMPM



PREMIUM REVENUES

Figure 4 above illustrates the growth in direct written premium. In comparison to the first six months of 2026, the industry reported a 6.1% (\$42.3 billion) increase in direct written premium to \$732.2 billion from \$689.9 billion. The increase is primarily from growth in Medicare and Medicaid, with Medicare increasing 9.7% (\$24.6 billion) and Medicaid increasing 6.3% (11.2 billion). Individual comprehensive decreased 2.4% (\$1.9 billion) and federal

employee health benefits declined 5.4% (\$1.6 billion) as the federal workforce shrank by approximately 12% since last year².

Figure 7 illustrates the mix of direct written premium for the major lines of business for the first six months of 2026. This shows the shift in the allocation of premium between the lines of business over the last five years. The shift is clear that the growth in direct written premium is coming mostly from government sponsored lines with Medicare leading the way with over \$277 billion in premium, a trend which should continue as more baby boomers enroll over the next five years and as a smaller proportion of working-age adults buy private insurance.

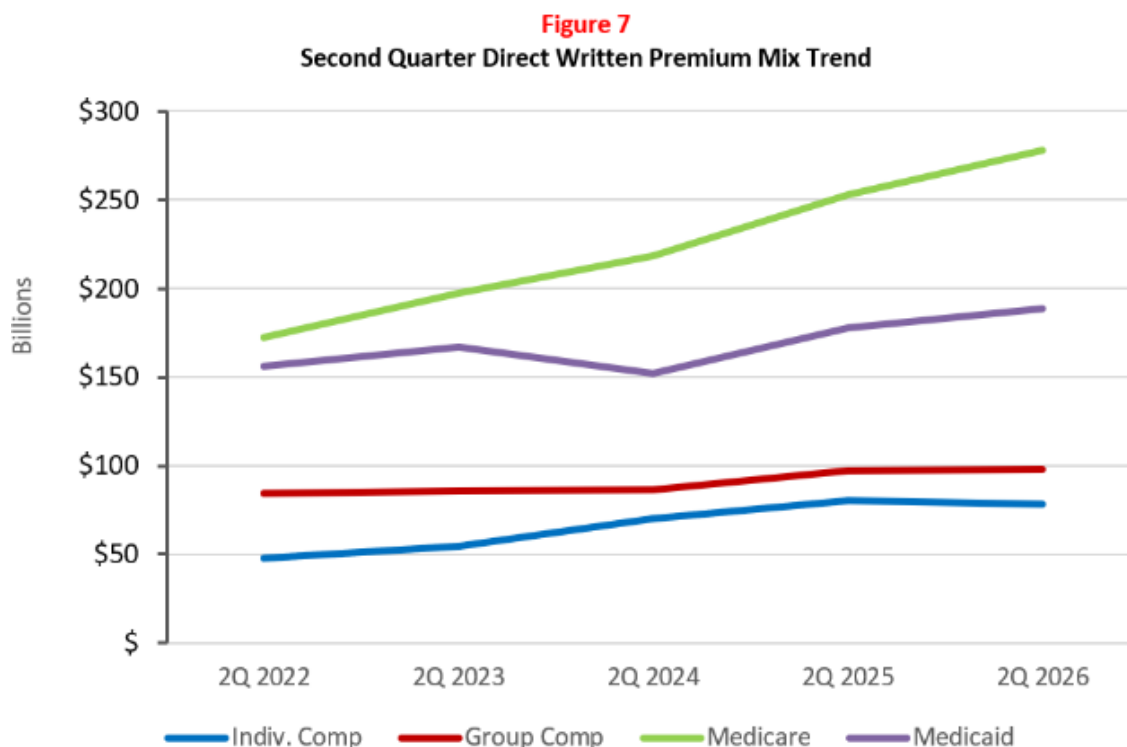


Table 3 below provides a further breakout of direct written premium by line of business.

Table 3 Direct Written Premium by Lines of Business							
(In Millions)	Chg.	\$ Chg.	2Q 2026	2Q 2025	2Q 2024	2Q 2023	2Q 2022
Indiv. Comp	(2.4)%	(\$1,894)	\$78,212	\$80,107	\$70,581	\$54,844	\$47,979
Group Comp	1.2%	\$1,132	\$98,113	\$96,981	\$86,768	\$85,976	\$84,585
Medicare Supp	17.4%	\$1,437	\$9,689	\$8,251	\$7,308	\$6,908	\$6,571
Vision	3.1%	\$54	\$1,779	\$1,725	\$1,762	\$1,536	\$1,473
Dental	3.8%	\$379	\$10,443	\$10,064	\$8,240	\$8,150	\$7,721
FEHBP	(5.4)%	(\$1,568)	\$27,334	\$28,902	\$25,310	\$23,357	\$22,419
Medicare	9.7%	\$24,572	\$277,667	\$253,095	\$218,133	\$197,531	\$172,500
Medicaid	6.3%	\$11,214	\$188,939	\$177,725	\$151,929	\$166,757	\$156,257
Other Health	21.1%	\$6,968	\$39,973	\$33,006	\$15,016	\$11,833	\$11,212

² <https://www.reuters.com/world/us/us-government-shed-386826-workers-trumps-first-year-back-power-2026-03-04/>

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 reported the greatest dollar amount of direct written premium on both the comprehensive medical and Medicare lines of business through mid-year 2026. Florida recorded \$25.8 billion in comprehensive medical compared to \$24.7 billion in mid-year 2025 (a 4.4% increase). Florida also recorded \$29.3 billion in Medicare premium, which is a 10% increase from the prior

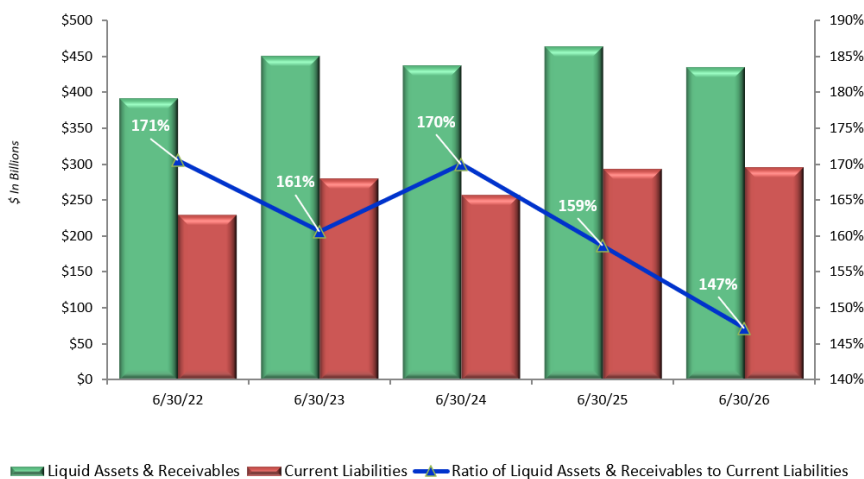
Table 4 - Direct Written Premium by Line of Business by State												
(\$ in Millions)	Comprehensive Medical			Medicare			Medicaid			FEHBP		
State	2Q 2026	2Q 2025	% Chg.	2Q 2026	2Q 2025	% Chg.	2Q 2026	2Q 2025	% Chg.	2Q 2026	2Q 2025	% Chg.
Alabama	\$4,262	\$3,880	9.8%	\$6,185	\$5,626	9.9%	\$22	\$24	-8.3%	\$531	\$585	-9.2%
Alaska	\$484	\$506	-4.3%	\$4	\$4	0.0%	\$0	\$0		\$342	\$278	23.0%
Arizona	\$3,230	\$3,089	4.6%	\$5,678	\$5,045	12.5%	\$1,446	\$1,387	4.3%	\$500	\$536	-6.7%
Arkansas	\$2,713	\$2,465	10.1%	\$3,127	\$2,829	10.5%	\$861	\$845	1.9%	\$206	\$223	-7.6%
California	\$5,744	\$4,810	19.4%	\$3,329	\$3,451	-3.5%	\$0	\$0		\$24	\$3	700.0%
Colorado	\$4,224	\$3,949	7.0%	\$4,491	\$4,217	6.5%	\$1,042	\$864	20.6%	\$541	\$540	0.2%
Connecticut	\$2,846	\$2,386	19.3%	\$3,029	\$3,105	-2.4%	\$0	\$0		\$221	\$249	-11.2%
Delaware	\$639	\$611	4.6%	\$678	\$624	8.7%	\$0	\$0		\$126	\$137	-8.0%
District Of Columbia	\$1,592	\$1,517	4.9%	\$432	\$369	17.1%	\$1,069	\$1,010	5.8%	\$996	\$993	0.3%
Florida	\$25,827	\$24,744	4.4%	\$29,296	\$26,637	10.0%	\$12,549	\$11,697	7.3%	\$1,724	\$2,114	-18.4%
Georgia	\$7,924	\$8,082	-2.0%	\$10,661	\$9,345	14.1%	\$2,424	\$2,321	4.4%	\$1,048	\$1,060	-1.1%
Hawaii	\$2,237	\$2,079	7.6%	\$1,126	\$1,358	-17.1%	\$1,211	\$1,177	2.9%	\$315	\$282	11.7%
Idaho	\$1,677	\$1,550	8.2%	\$1,416	\$1,388	2.0%	\$300	\$256	17.2%	\$162	\$135	20.0%
Illinois	\$12,110	\$11,503	5.3%	\$8,450	\$7,677	10.1%	\$10,686	\$9,878	8.2%	\$867	\$988	-12.2%
Indiana	\$2,927	\$2,917	0.3%	\$5,934	\$5,774	2.8%	\$5,624	\$5,649	-0.4%	\$427	\$165	158.8%
Iowa	\$2,604	\$2,510	3.7%	\$2,146	\$2,015	6.5%	\$3,750	\$3,339	12.3%	\$192	\$220	-12.7%
Kansas	\$1,150	\$1,115	3.1%	\$1,748	\$1,594	9.7%	\$2,727	\$2,657	2.6%	\$75	\$82	-8.5%
Kentucky	\$2,576	\$2,437	5.7%	\$5,124	\$4,603	11.3%	\$5,877	\$5,859	0.3%	\$306	\$312	-1.9%
Louisiana	\$2,830	\$2,785	1.6%	\$5,334	\$4,713	13.2%	\$6,283	\$5,645	11.3%	\$300	\$333	-9.9%
Maine	\$1,286	\$1,207	6.5%	\$1,600	\$1,458	9.7%	\$0	\$0		\$148	\$161	-8.1%
Maryland	\$4,158	\$3,763	10.5%	\$2,605	\$2,333	11.7%	\$1,839	\$1,665	10.5%	\$2,445	\$2,611	-6.4%
Massachusetts	\$9,145	\$8,721	4.9%	\$4,199	\$3,457	21.5%	\$5,661	\$5,525	2.5%	\$526	\$649	-19.0%
Michigan	\$9,055	\$8,999	0.6%	\$11,533	\$9,519	21.2%	\$4,927	\$5,241	-6.0%	\$495	\$480	3.1%
Minnesota	\$4,602	\$4,112	11.9%	\$4,914	\$3,990	23.2%	\$5,155	\$5,243	-1.7%	\$413	\$467	-11.6%
Mississippi	\$1,946	\$1,882	3.4%	\$2,693	\$2,394	12.5%	\$1,107	\$946	17.0%	\$226	\$230	-1.7%
Missouri	\$3,249	\$3,080	5.5%	\$6,766	\$6,189	9.3%	\$2,672	\$2,279	17.2%	\$454	\$525	-13.5%
Montana	\$890	\$827	7.6%	\$587	\$526	11.6%	\$0	\$0		\$139	\$140	-0.7%
Nebraska	\$1,600	\$1,544	3.6%	\$1,222	\$1,023	19.5%	\$1,444	\$1,170	23.4%	\$163	\$218	-25.2%
Nevada	\$1,952	\$1,805	8.1%	\$2,856	\$2,788	2.4%	\$1,476	\$1,248	18.3%	\$165	\$164	0.6%
New Hampshire	\$1,254	\$1,152	8.9%	\$823	\$813	1.2%	\$793	\$735	7.9%	\$198	\$227	-12.8%
New Jersey	\$7,361	\$6,649	10.7%	\$5,998	\$5,171	16.0%	\$10,952	\$9,026	21.3%	\$653	\$699	-6.6%
New Mexico	\$916	\$757	21.0%	\$1,684	\$1,471	14.5%	\$4,172	\$3,756	11.1%	\$229	\$228	0.4%
New York	\$15,610	\$14,509	7.6%	\$17,265	\$15,611	10.6%	\$6,574	\$6,398	2.8%	\$1,037	\$1,143	-9.3%
North Carolina	\$6,515	\$6,289	3.6%	\$11,356	\$10,174	11.6%	\$7,206	\$6,561	9.8%	\$834	\$997	-16.3%
North Dakota	\$1,114	\$1,047	6.4%	\$298	\$281	6.0%	\$242	\$214	13.1%	\$87	\$82	6.1%
Ohio	\$5,951	\$6,184	-3.8%	\$12,959	\$11,759	10.2%	\$10,233	\$10,223	0.1%	\$826	\$827	-0.1%
Oklahoma	\$2,791	\$3,146	-11.3%	\$3,400	\$2,692	26.3%	\$2,383	\$1,985	20.1%	\$500	\$491	1.8%
Oregon	\$4,241	\$4,043	4.9%	\$4,232	\$3,706	14.2%	\$4,627	\$4,310	7.4%	\$367	\$355	3.4%
Pennsylvania	\$9,292	\$8,819	5.4%	\$13,739	\$12,618	8.9%	\$19,345	\$18,409	5.1%	\$1,169	\$1,251	-6.6%
Rhode Island	\$843	\$789	6.8%	\$1,259	\$1,086	15.9%	\$1,231	\$1,344	-8.4%	\$75	\$85	-11.8%
South Carolina	\$3,548	\$3,762	-5.7%	\$5,143	\$4,560	12.8%	\$2,422	\$2,225	8.9%	\$409	\$465	-12.0%
South Dakota	\$885	\$876	1.0%	\$367	\$361	1.7%	\$70	\$43	62.8%	\$135	\$143	-5.6%
Tennessee	\$4,711	\$4,509	4.5%	\$7,711	\$6,938	11.1%	\$3,646	\$3,448	5.7%	\$516	\$512	0.8%
Texas	\$24,322	\$23,023	5.6%	\$27,102	\$24,416	11.0%	\$17,609	\$17,152	2.7%	\$2,162	\$2,276	-5.0%
Utah	\$2,713	\$2,689	0.9%	\$2,028	\$1,842	10.1%	\$1,221	\$505	141.8%	\$397	\$437	-9.2%
Vermont	\$686	\$647	6.0%	\$164	\$337	-51.3%	\$0	\$0		\$63	\$72	-12.5%
Virginia	\$5,264	\$4,930	6.8%	\$6,299	\$5,613	12.2%	\$8,539	\$7,210	18.4%	\$1,980	\$1,921	3.1%
Washington	\$6,239	\$5,776	8.0%	\$6,265	\$5,497	14.0%	\$4,729	\$4,434	6.7%	\$708	\$656	7.9%
West Virginia	\$1,029	\$1,004	2.5%	\$2,275	\$2,093	8.7%	\$1,363	\$1,071	27.3%	\$320	\$355	-9.9%
Wisconsin	\$5,131	\$5,000	2.6%	\$5,720	\$5,238	9.2%	\$2,596	\$2,142	21.2%	\$421	\$515	-18.3%
Wyoming	\$478	\$476	0.4%	\$142	\$167	-15.0%	\$0	\$0		\$70	\$88	-20.5%
American Samoa	\$0	\$0		\$0	\$0		\$0	\$0		\$0	\$0	
Guam	\$35	\$33	6.1%	\$0	\$0		\$0	\$0		\$13	\$14	-7.1%
Puerto Rico	\$678	\$703	-3.6%	\$5,797	\$5,015	15.6%	\$2,104	\$2,283	-7.8%	\$136	\$136	0.0%
U.S. Virgin Islands	\$129	\$110	17.3%	\$28	\$29	-3.4%	\$0	\$0		\$1	\$2	-50.0%
Northern Mariana Islands	\$2	\$3	-33.3%	\$0	\$0		\$0	\$0		\$0	\$0	
Canada	\$6	\$6	0.0%	\$0	\$0		\$0	\$0		\$0	\$0	
Aggregate other alien	\$326	\$323	0.9%	\$0	\$0		\$0	\$0		\$0	\$0	
Grand Totals	\$237,549	\$226,129	5.1%	\$279,217	\$251,539	11.0%	\$150,402	\$179,399	-16.2%	\$27,383	\$28,857	-5.1%

mid-year. Pennsylvania (the largest Medicaid writer) reported \$19.3 billion in Medicaid premium which is a 5.1% increase from the prior mid-year. Maryland (the largest FEHBP writer) reported \$2.4 billion in premium revenue for the federal employee line of business, which is a 6.4% decrease over mid-year 2025, as the federal workforce shrunk.

CASH FLOW AND LIQUIDITY

The health insurance industry reported an extremely significant reversal in operating cash flow in a positive direction, reporting \$41.7 billion in operating cash flow. This is a 739.9% increase from last mid-year's \$4.9 billion and 2024's \$9.1 billion. The considerable increase in operating cash flow is largely due to a significant pricing increase in unprofitable lines (such as the ~20% increase in ACA marketplace plans) as well as a reduction in utilization (in large part due to dropping enrollment). At mid-year 2025 amounts recoverable from uninsured plans totaled \$40.8 billion, while at mid-year 2026 amounts recoverable from uninsured plans totaled \$8 billion.

Figure 8
Ratio of Liquid Assets & Receivables to Current Liabilities

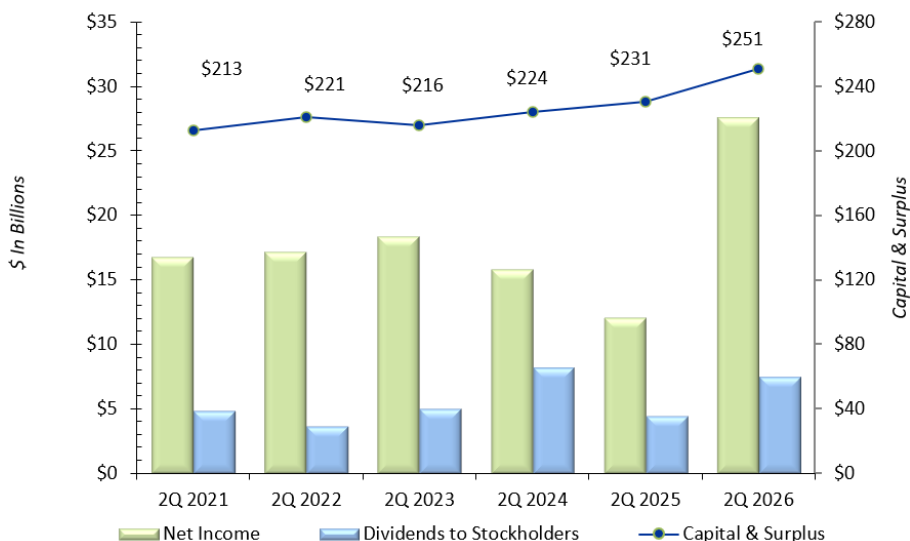


As illustrated in **Figure 8**, the liquid assets and receivables continue to fall from 159% at mid-year 2025 to 147% in 2026. Liquid assets and receivables decreased from \$464.6 billion at mid-year 2025 to \$435.2 (a 6.3% decrease), while liabilities increased from \$293 billion to \$295.7 billion (a 0.9% increase).

CAPITAL AND SURPLUS

Health entities reported an 8.8% or \$20.4 billion (excluding affiliated amounts) increase in capital and surplus to \$251 billion at mid-year 2026 from \$230.6 billion at mid-year 2025, as illustrated in **Figure 9**. The increase is due primarily to the significant increase in net income of 127.6% (a \$15.6 increase). This profitability allowed insurers to increase dividends paid to stockholders with \$7.5 billion paid at mid-year 2026 compared to \$4.5 billion paid at mid-year 2025.

Figure 9



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Disclaimer: The NAIC 2026 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, 2026, 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.