

# 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 a 13% increase in an underwriting gain to over \$18 billion from over \$16 billion for the same period in the prior year. Net income remained mostly unchanged at just under \$17 billion for the first six months of 2022 compared to the same period in the prior year. The industry’s profit margin decreased modestly to 3.4% from 3.7%, while the combined ratio remained mostly unchanged at 96%.

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Notable items as compared to second quarter 2021 include the following:

- Net earned premium increased 11% (\$48 billion)
- Hospital & medical expenses increased 11% (\$40 billion)
- Administrative expenses increased 13% (\$6 billion)
- Enrollment increased 2%
- Cash flow from operations was \$25 billion
- Capital and surplus increased 3% to over \$196 billion from \$191 billion at December 31, 2021

**Table 1**

### Financial Summary: June 30, 2022 - 2018

<i>(In Millions)</i>	<b>Chg.</b>	<b>2Q 2022</b>	<b>2Q 2021</b>	<b>2Q 2020</b>	<b>2Q 2019</b>	<b>2Q 2018</b>
<b>Direct Written Premium</b>	11.1%	\$498,306	\$448,705	\$410,736	\$379,925	\$358,749
<b>Net Earned Premium</b>	10.8%	\$491,870	\$444,109	\$406,706	\$374,079	\$354,626
<b>Net Investment Income Earned</b>	6.8%	\$2,923	\$2,735	\$2,712	\$3,145	\$2,571
<b>Underwriting Gain/Loss</b>	12.5%	\$18,294	\$16,268	\$23,717	\$15,237	\$10,476
<b>Net Income/Loss</b>	0.5%	\$16,889	\$16,805	\$21,543	\$16,876	\$11,411
<b>Total Hospital &amp; Medical Exp.</b>	10.5%	\$420,387	\$380,438	\$326,101	\$318,456	\$295,931
<b>Loss Ratio</b>	(0.3) pts	85.0%	85.3%	80.2%	84.7%	83.1%
<b>Administrative Expenses</b>	13.2%	\$55,888	\$49,391	\$57,558	\$42,431	\$49,877
<b>Administrative Expense Ratio</b>	0.2 pts	11.3%	11.1%	14.1%	11.3%	14.0%
<b>Combined Ratio</b>	(0.1) pts	96.3%	96.4%	94.2%	95.9%	97.1%
<b>Profit Margin</b>	(0.3) pts	3.4%	3.7%	5.3%	4.5%	3.2%
<b>Enrollment</b>	1.5%	255	251	238	233	225
<b>Premium PMPM</b>	9.1%	\$323	\$296	\$283	\$273	\$262
<b>Claims PMPM</b>	8.7%	\$276	\$254	\$229	\$233	\$218
<b>Cash Flow from Operations</b>	107.4%	\$25,256	\$12,175	\$38,343	\$18,808	\$33,404
<b># of Companies Filed</b>	(1)	1,130	1,131	1,096	1,048	999
	<b>6-mo. Chg.</b>	<b>2Q 2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Capital &amp; Surplus</b>	2.8%	\$196,607	\$191,312	\$176,334	\$155,944	\$151,793

\*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 remained consistent at just under \$17 billion for the first six months of 2022 compared to the same period in the prior year. However, the Industry reported a 13% (\$2 billion) increase in underwriting gains partially offset by a 6% (\$198 million) increase in federal income taxes incurred.

**Figure 1** illustrates the trend in profitability and reflects a profit margin of 3.4% through the second quarter of 2022 compared to a profit margin of 3.7% for the first six months of 2021.

**UNDERWRITING RESULTS**

As indicated on **Table 1**, the increase in the industry’s underwriting results can be attributed primarily to an 11% (\$48 billion) increase in net earned premium to \$491 billion from \$444 billion through the first six months of 2021.

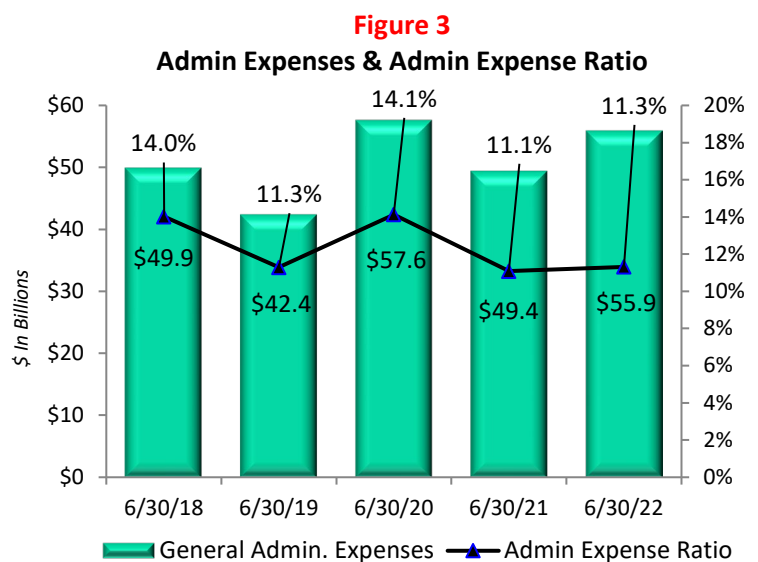
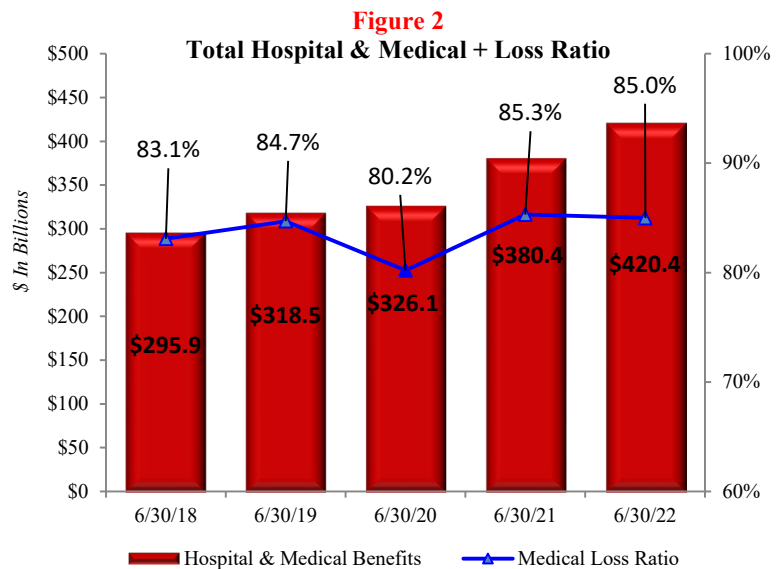
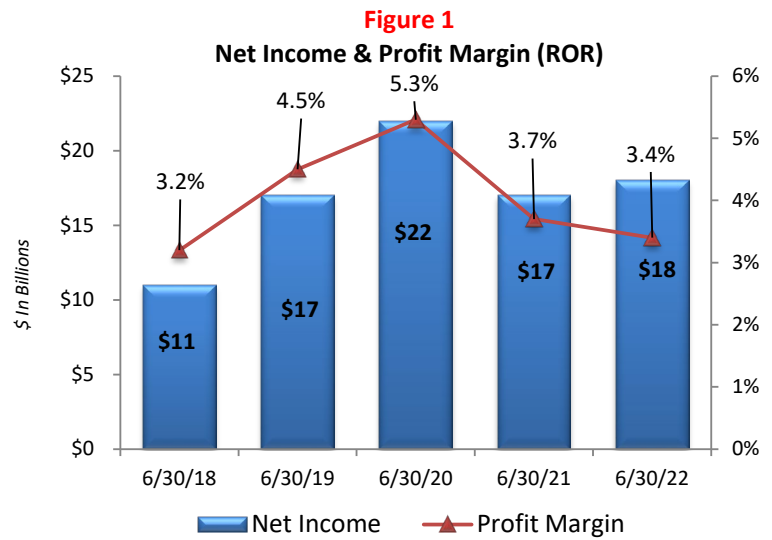
The industry partially offset these items with:

- 11% (\$40 billion) increase in total hospital and medical expenses to \$420 billion from \$380 billion; and,
- 13% (\$6 billion) increase in claims adjustment and administrative expenses to \$56 billion from \$49 billion in the prior year period, resulting in no change in the expense ratio of 11%.

**Figure 2** illustrates the significant increase in total hospital and medical benefits for the first six months of 2022 as compared to the prior year period. Historically, the Industry’s loss ratio had fluctuated modestly 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%.

**Figure 3** illustrates the comparison in claims adjustment and administrative expenses through the second quarter of 2022 and the four prior years.

The modest decrease in the loss ratio and the slight decrease in the administrative expense ratio culminated in relatively no change in the combined ratio.



**Table 2** provides data from the Exhibit of Premiums, Enrollment, and Utilization by Line of Business. The table includes comparison of direct and earned premium, claims, loss ratio, net premium and claims per member per month, and enrollment through the second quarter of 2022 and the four prior years.

<b>Table 2</b>											
<b>Exhibit of Premiums, Enrollment &amp; Utilization by Lines of Business</b>											
<b>Individual Comprehensive Hospital &amp; Medical</b>						<b>Group Comprehensive Hospital &amp; Medical</b>					
	<b>2Q 2022</b>	<b>2Q 2021</b>	<b>2Q 2020</b>	<b>2Q 2019</b>	<b>2Q 2018</b>		<b>2Q 2022</b>	<b>2Q 2021</b>	<b>2Q 2020</b>	<b>2Q 2019</b>	<b>2Q 2018</b>
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$46,308	\$41,421	\$38,978	\$39,535	\$39,262	Direct Written Premium	\$83,832	\$83,042	\$83,226	\$83,686	\$82,854
Net Earned Premium	\$45,641	\$39,816	\$37,170	\$38,084	\$39,089	Net Earned Premium	\$82,803	\$82,851	\$82,587	\$83,971	\$82,544
Total Hospital & Medical Exp	\$35,450	\$31,356	\$26,734	\$27,331	\$26,517	Total Hospital & Medical Exp	\$69,976	\$70,197	\$65,097	\$67,869	\$67,556
Loss Ratio	77.7%	78.8%	71.9%	71.8%	67.8%	Loss Ratio	84.5%	84.7%	78.8%	80.8%	81.8%
Net Premium PMPM	\$533	\$508	\$498	\$521	\$502	Net Premium PMPM	\$518	\$492	\$470	\$467	\$445
Claims PMPM	\$414	\$400	\$358	\$374	\$340	Claims PMPM	\$438	\$417	\$370	\$377	\$364
Margin	\$119	\$108	\$140	\$147	\$161	Margin	\$80	\$75	\$99	\$90	\$81
Enrollment	14	14	13	12	13	Enrollment	27	28	29	30	31
<b>Medicare Supplement</b>						<b>Vision</b>					
	<b>2Q 2022</b>	<b>2Q 2021</b>	<b>2Q 2020</b>	<b>2Q 2019</b>	<b>2Q 2018</b>		<b>2Q 2022</b>	<b>2Q 2021</b>	<b>2Q 2020</b>	<b>2Q 2019</b>	<b>2Q 2018</b>
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$6,574	\$6,318	\$6,122	\$5,782	\$5,451	Direct Written Premium	\$1,470	\$1,408	\$1,365	\$1,279	\$1,311
Net Earned Premium	\$6,483	\$6,227	\$6,023	\$5,757	\$5,404	Net Earned Premium	\$1,465	\$1,408	\$1,357	\$1,353	\$1,309
Total Hospital & Medical Exp	\$5,211	\$4,850	\$4,391	\$4,743	\$4,375	Total Hospital & Medical Exp	\$1,530	\$1,477	\$1,085	\$1,383	\$1,494
Loss Ratio	80.4%	77.9%	72.9%	82.4%	81.0%	Loss Ratio	104.5%	104.9%	80.0%	102.2%	114.1%
Net Premium PMPM	\$214	\$210	\$212	\$211	\$209	Net Premium PMPM	\$6	\$6	\$6	\$6	\$6
Claims PMPM	\$172	\$164	\$155	\$174	\$169	Claims PMPM	\$4	\$4	\$5	\$7	\$7
Margin	\$42	\$47	\$57	\$37	\$40	Margin	\$2	\$3	\$1	(\$1)	(\$1)
Enrollment	5	5	5	5	4	Enrollment	39	38	37	36	34
<b>Dental</b>						<b>FEHBP</b>					
	<b>2Q 2022</b>	<b>2Q 2021</b>	<b>2Q 2020</b>	<b>2Q 2019</b>	<b>2Q 2018</b>		<b>2Q 2022</b>	<b>2Q 2021</b>	<b>2Q 2020</b>	<b>2Q 2019</b>	<b>2Q 2018</b>
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$7,664	\$7,392	\$6,719	\$7,008	\$6,955	Direct Written Premium	\$22,482	\$21,491	\$20,059	\$19,872	\$19,617
Net Earned Premium	\$7,185	\$7,005	\$5,878	\$6,405	\$6,425	Net Earned Premium	\$22,156	\$21,848	\$20,276	\$20,342	\$19,396
Total Hospital & Medical Exp	\$6,269	\$6,002	\$4,144	\$5,454	\$5,371	Total Hospital & Medical Exp	\$20,628	\$20,167	\$18,222	\$18,920	\$17,646
Loss Ratio	87.3%	85.7%	70.5%	85.2%	83.6%	Loss Ratio	93.1%	92.3%	89.9%	93.0%	91.0%
Net Premium PMPM	\$27	\$26	\$24	\$26	\$26	Net Premium PMPM	\$406	\$401	\$378	\$388	\$418
Claims PMPM	\$23	\$23	\$17	\$22	\$22	Claims PMPM	\$378	\$370	\$339	\$361	\$380
Margin	\$3	\$4	\$7	\$4	(\$1)	Margin	\$28	\$31	\$38	\$27	\$38
Enrollment	45	45	42	42	42	Enrollment	9	9	9	9	8
<b>Medicare</b>						<b>Medicaid</b>					
	<b>2Q 2022</b>	<b>2Q 2021</b>	<b>2Q 2020</b>	<b>2Q 2019</b>	<b>2Q 2018</b>		<b>2Q 2022</b>	<b>2Q 2021</b>	<b>2Q 2020</b>	<b>2Q 2019</b>	<b>2Q 2018</b>
<i>(In Millions, Except PMPM)</i>						<i>(In Millions, Except PMPM)</i>					
Direct Written Premium	\$168,676	\$141,713	\$126,752	\$110,031	\$96,558	Direct Written Premium	\$151,873	\$134,720	\$118,435	\$102,326	\$95,724
Net Earned Premium	\$168,363	\$141,285	\$125,079	\$109,768	\$95,907	Net Earned Premium	\$151,331	\$132,903	\$113,488	\$100,181	\$94,897
Total Hospital & Medical Exp	\$140,270	\$121,156	\$97,530	\$90,945	\$81,114	Total Hospital & Medical Exp	\$125,481	\$113,412	\$96,841	\$90,872	\$83,615
Loss Ratio	83.3%	85.8%	78.0%	82.9%	84.6%	Loss Ratio	82.9%	85.3%	85.3%	90.7%	88.1%
Net Premium PMPM	\$1,197	\$1,123	\$1,100	\$1,052	\$968	Net Premium PMPM	\$447	\$425	\$423	\$392	\$372
Claims PMPM	\$997	\$963	\$858	\$871	\$819	Claims PMPM	\$371	\$363	\$361	\$356	\$328
Margin	\$200	\$160	\$242	\$180	\$149	Margin	\$76	\$62	\$62	\$36	\$44
Enrollment	24	21	19	18	16	Enrollment	57	54	48	44	44
<b>Other Health</b>											
	<b>2Q 2022</b>	<b>2Q 2021</b>	<b>2Q 2020</b>	<b>2Q 2019</b>	<b>2Q 2018</b>						
<i>(In Millions, Except PMPM)</i>											
Direct Written Premium	\$11,060	\$10,549	\$10,861	\$10,283	\$9,516						
Net Earned Premium	\$11,057	\$10,640	\$11,157	\$10,625	\$9,829						
Total Hospital & Medical Exp	\$11,030	\$10,606	\$11,092	\$9,630	\$8,863						
Loss Ratio	99.8%	99.7%	99.4%	90.6%	90.2%						
Net Premium PMPM	\$53	\$47	\$50	\$52	\$51						
Claims PMPM	\$53	\$46	\$50	\$47	\$46						
Margin	\$0	\$0	\$0	\$5	\$5						
Enrollment	35	38	38	38	34						

The CDC has reported nearly 97 million COVID-19 cases nationwide and over one million deaths since January 21, 2020. The health insurance industry reported a 25% (over \$94 billion) increase in health benefit claims incurred between June 30, 2020, and June 30, 2022. However, in 2020 offsetting factors resulting from the pandemic appear to have reduced the overall financial impact to 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 line of business in 2020 as included in **Table 2** above.

This significant increase in hospital and medical benefits in 2021 and 2022 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.

**ENROLLMENT**

As shown in **Figure 4**, the industry has experienced an incremental increase in total enrollment of 13% (30 million) to 255 million from 225 million through the second quarter of 2018.

The increase from 2018 is due primarily to:

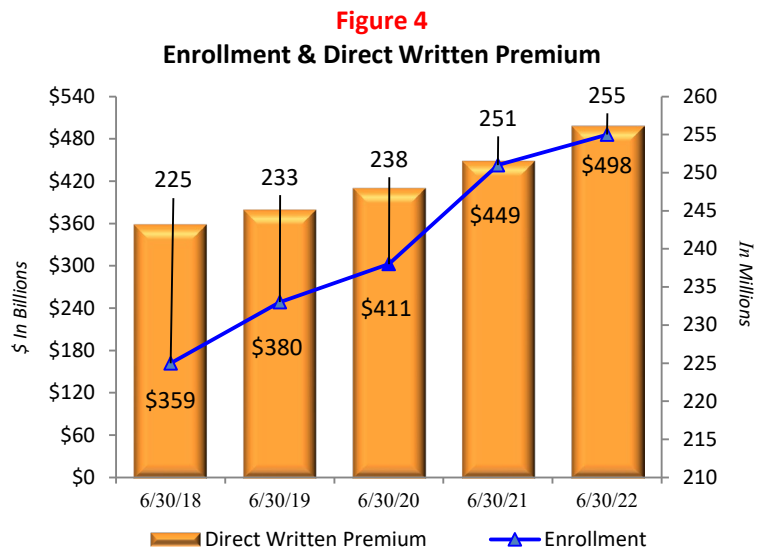
- 31% (14 million) increase in Medicaid;
- 44% (7 million) increase in Medicare;
- 14% (5 million) increase in vision coverage;
- 9% (4 million) increase in dental coverage;
- 17% (1 million) increase in Federal Employee Health Benefit Plans; and,
- 3% (1 million) increase in policies that provide Medicare Pat D Drug coverage.

However, these lines were partially offset by:

- 13% (4 million) decrease in the group comprehensive line of business; and
- a 12% (2 million) decrease in the individual comprehensive line of business from the first six months of 2018.

As indicated above, the industry still experienced considerable growth in both Medicaid and Medicare. As a result of increased unemployment rates caused by the pandemic, health care coverage has also been disrupted for millions of people as most working-age adults receive 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.

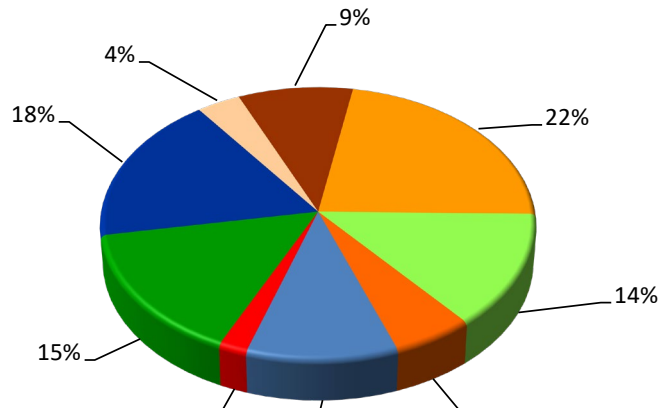
The U.S. has been operating under a Public Health Emergency (PHE) declared by the federal government since the start of the COVID-19 pandemic. This declaration resulted in significantly expanded Medicaid enrollment, as well as special coverage rules for COVID-19 vaccines, tests, and treatments. Just recently, the Department of Health and Human Services (HHS) announced that the PHE would be extended to January 11, 2023, and that it would give at least 60 days-notice before lifting the emergency declaration. However, once the emergency is lifted, there is the potential for disruption in the health insurance market when the individuals potentially no longer qualify for Medicaid and what financial impact that could have on insurers. Some estimates suggest that 15 million or more people might no longer qualify for Medicaid.



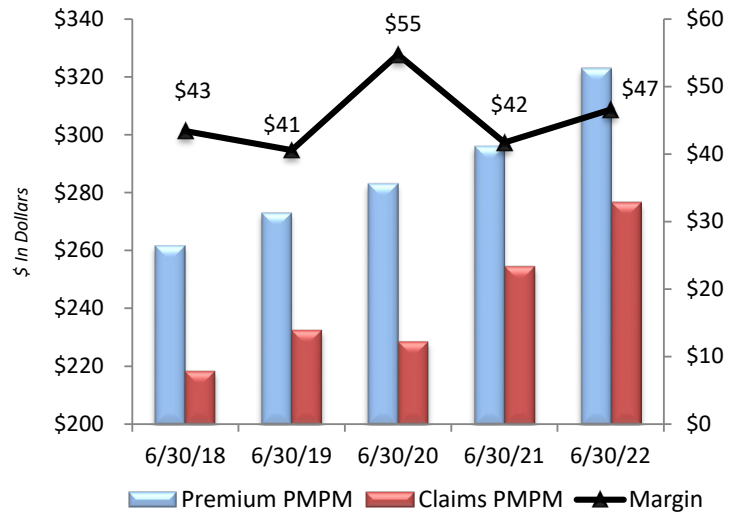
The industry recorded over 255 million members enrolled in various types of health insurance products. As shown on **Figure 5**, Medicaid represents 22% of total enrollment; Dental 18%; Vision 15%; Medicare Pt D 14%; Group Comprehensive 10%; Medicare at 9%; and Individual Comprehensive 6%. A shift in 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. A certain amount of Medicaid enrollment increases is likely due to the continued expansion of Medicaid programs in certain states.

As depicted in **Figure 6**, health entities' earned premium per member per month (PMPM) increased 23% over a five-year period to \$323 from \$262 for the first six months of 2018, while claims PMPM increased 27% to \$276 from \$218. It is evident premium PMPM increased incrementally through the five years illustrated in the adjacent graph while claims PMPM decreased in 2020 due to decreased medical costs related to cancelled or delayed medical utilization of healthcare benefits in 2020. As show in the graph, the margin in 2021 and 2022 returned to a margin more comparable to pre-pandemic periods.

**Figure 5**  
**Enrollment by Line of Business**



**Figure 6**  
**Premium PMPM vs Claims PMPM**

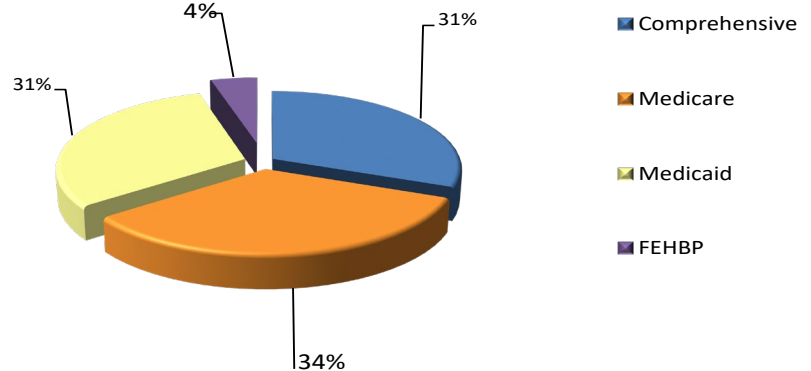


**PREMIUM REVENUES**

**Figure 4** above illustrates the growth in direct written premium. In comparison to the first six months of 2021, the industry reported an 11% (\$50 billion) increase in direct written premium to \$498 billion from \$449 billion. The increase is primarily on the Medicare, and Medicaid lines of business.

**Figure 7** illustrates the mix of direct written premium for the first six months of 2022. As insureds have become eligible for either Medicare and/or Medicaid as evidenced by increases in enrollment in these lines, there has been a gradual shift in the allocation of premium between the lines of business over the last five years. In comparison to the first half of 2021, direct

**Figure 7**  
**2nd Qtr 2022**  
**Direct Health Premium Written by Line**



comprehensive medical decreased to below 31% from just above 33% of total written premium, while Medicare increased to nearly 34% from 32%, Medicaid increased to 31% from just under 30%, and FEHBP remained mostly unchanged at just below 5%.

**Table 3** below provides a breakout of direct written premium by line of business. The largest dollar increases in written premium from the first six months of 2021 was a 19% (\$27 billion) increase in Medicare, and a 13% (\$17 billion) increase in Medicaid.

<i>(In Millions)</i>	<b>Chg.</b>	<b>\$ Chg.</b>	<b><u>2Q 2022</u></b>	<b><u>2Q 2021</u></b>	<b><u>2Q 2020</u></b>	<b><u>2Q 2019</u></b>	<b><u>2Q 2018</u></b>
Individual Comprehensive	11.8%	\$4,887	\$46,308	\$41,421	\$38,978	\$39,535	\$39,262
Group Comprehensive	1.0%	\$790	\$83,832	\$83,042	\$83,226	\$83,686	\$82,854
Medicare Supplement	4.0%	\$256	\$6,574	\$6,318	\$6,122	\$5,782	\$5,451
Vision	4.4%	\$62	\$1,470	\$1,408	\$1,365	\$1,279	\$1,311
Dental	3.7%	\$272	\$7,664	\$7,392	\$6,719	\$7,008	\$6,955
FEHBP	4.6%	\$991	\$22,482	\$21,491	\$20,059	\$19,872	\$19,617
Medicare	19.0%	\$26,964	\$168,676	\$141,713	\$126,752	\$110,031	\$96,558
Medicaid	12.7%	\$17,152	\$151,873	\$134,720	\$118,435	\$102,326	\$95,724
Other Health	4.8%	\$511	\$11,060	\$10,549	\$10,861	\$10,283	\$9,516

**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 2022. Florida recorded just under \$15 billion in comprehensive medical premium after recording an increase from the prior-year quarter while recording just under \$20 billion in Medicare premium, which is a 26% increase from the prior-year quarter. The state of Texas reported just under \$19 billion in Medicaid premium including a 36% increase over the prior-year quarter. The state of Maryland reported just over \$2 billion in premium revenue for the federal employee health benefit plan line of business including a 7% increase over the prior-year quarter.



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

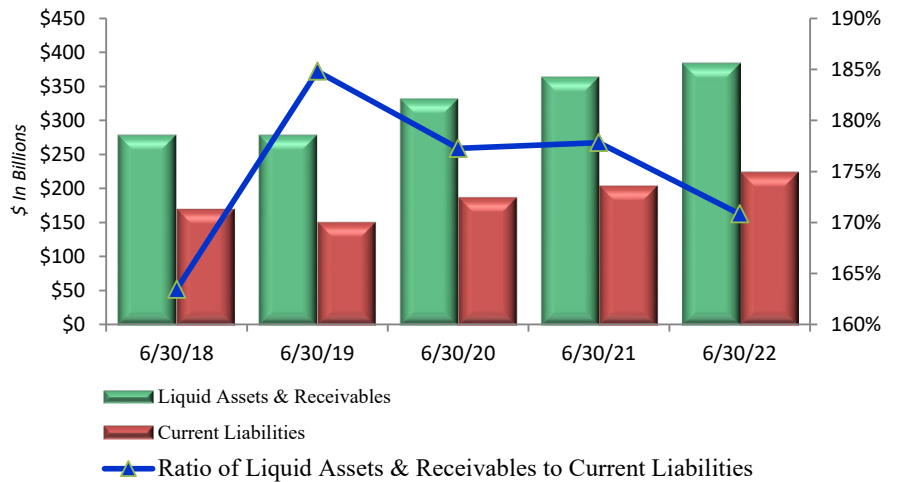
State	Comprehensive Medical			Medicare			Medicaid			FEHBP		
	2Q 2022	2Q 2021	% Chg.	2Q 2022	2Q 2021	% Chg.	2Q 2022	2Q 2021	% Pt Chg.	2Q 2022	2Q 2021	% Chg.
Alabama	\$3,004	\$2,747	9.3%	\$3,916	\$3,376	16.0%	\$19	\$15	22.1%	\$402	\$454	(11.4)%
Alaska	\$319	\$278	14.9%	\$3	\$2	33.8%	\$0	\$0	0.0%	\$264	\$227	16.3%
Arizona	\$1,824	\$1,671	9.1%	\$3,592	\$2,900	23.8%	\$138	\$133	3.8%	\$373	\$389	(4.1)%
Arkansas	\$2,039	\$1,942	5.0%	\$1,702	\$1,439	18.3%	\$805	\$671	20.0%	\$160	\$155	3.0%
California	\$1,428	\$1,423	0.3%	\$2,389	\$2,033	17.5%	\$0	\$0	0.0%	\$3	\$3	0.9%
Colorado	\$2,794	\$2,812	(0.6)%	\$2,952	\$2,343	26.0%	\$657	\$570	15.3%	\$437	\$449	(2.8)%
Connecticut	\$1,582	\$1,639	(3.5)%	\$2,217	\$1,870	18.6%	\$0	\$0	0.0%	\$180	\$174	3.5%
Delaware	\$387	\$349	11.1%	\$323	\$197	64.0%	\$0	\$0	0.0%	\$95	\$92	4.1%
District of Columbia	\$1,126	\$1,068	5.4%	\$232	\$63	268.5%	\$912	\$767	18.9%	\$905	\$803	12.8%
Florida	\$14,498	\$12,726	13.9%	\$19,721	\$15,627	26.2%	\$11,517	\$9,537	20.8%	\$1,443	\$1,383	4.4%
Georgia	\$4,701	\$4,515	4.1%	\$6,024	\$4,078	47.7%	\$2,852	\$2,319	23.0%	\$850	\$853	(0.3)%
Hawaii	\$1,768	\$1,730	2.2%	\$1,005	\$678	48.2%	\$1,127	\$1,043	8.1%	\$240	\$229	5.0%
Idaho	\$1,090	\$1,063	2.5%	\$906	\$658	37.8%	\$317	\$261	21.8%	\$113	\$120	(6.5)%
Illinois	\$8,859	\$8,523	3.9%	\$5,840	\$4,745	0.0%	\$8,159	\$7,332	11.3%	\$706	\$640	10.4%
Indiana	\$1,964	\$1,836	7.0%	\$3,659	\$2,497	46.5%	\$4,188	\$3,932	6.5%	\$381	\$373	2.3%
Iowa	\$1,917	\$1,823	5.2%	\$1,277	\$1,032	23.8%	\$2,983	\$2,823	5.7%	\$151	\$145	3.7%
Kansas	\$700	\$667	4.8%	\$1,029	\$803	28.2%	\$2,047	\$1,908	7.3%	\$69	\$74	(6.5)%
Kentucky	\$1,832	\$1,832	(0.0)%	\$3,091	\$2,629	17.6%	\$4,934	\$5,382	(8.3)%	\$267	\$256	4.3%
Louisiana	\$2,106	\$2,039	3.3%	\$3,154	\$2,648	19.1%	\$5,568	\$5,101	9.2%	\$255	\$241	5.9%
Maine	\$919	\$860	6.9%	\$942	\$785	20.0%	\$0	\$0	0.0%	\$124	\$116	6.9%
Maryland	\$2,525	\$2,393	5.5%	\$1,344	\$1,042	29.0%	\$1,786	\$1,646	8.5%	\$2,041	\$1,916	6.6%
Massachusetts	\$6,845	\$6,854	(0.1)%	\$1,983	\$1,678	18.2%	\$2,981	\$2,622	13.7%	\$485	\$426	14.0%
Michigan	\$7,009	\$6,635	5.6%	\$6,690	\$6,068	10.3%	\$4,193	\$3,881	8.0%	\$399	\$424	(6.1)%
Minnesota	\$3,376	\$3,274	3.1%	\$3,247	\$2,849	14.0%	\$4,841	\$4,023	20.3%	\$364	\$325	11.9%
Mississippi	\$1,105	\$1,032	7.1%	\$1,407	\$1,006	39.9%	\$976	\$1,204	(18.9)%	\$183	\$192	(4.4)%
Missouri	\$2,296	\$2,185	5.1%	\$4,203	\$3,456	21.6%	\$1,665	\$1,290	29.1%	\$409	\$394	3.8%
Montana	\$559	\$497	12.6%	\$348	\$292	19.2%	\$0	\$0	0.0%	\$118	\$118	0.1%
Nebraska	\$1,166	\$1,090	7.0%	\$685	\$512	33.9%	\$1,146	\$975	17.5%	\$137	\$131	4.2%
Nevada	\$1,460	\$1,343	8.6%	\$1,956	\$1,684	16.1%	\$1,212	\$1,175	3.1%	\$124	\$130	(4.9)%
New Hampshire	\$858	\$846	1.4%	\$448	\$352	27.4%	\$629	\$590	6.6%	\$170	\$157	8.5%
New Jersey	\$4,758	\$4,760	(0.0)%	\$3,326	\$2,786	19.4%	\$6,881	\$6,219	10.6%	\$522	\$527	(1.0)%
New Mexico	\$539	\$481	11.9%	\$1,139	\$868	31.2%	\$3,266	\$2,839	15.0%	\$150	\$190	(21.3)%
New York	\$11,903	\$11,430	4.1%	\$10,389	\$9,354	11.1%	\$5,191	\$4,867	6.7%	\$940	\$895	5.1%
North Carolina	\$4,642	\$4,188	10.9%	\$6,375	\$5,189	22.9%	\$3,741	\$0	0.0%	\$622	\$621	0.2%
North Dakota	\$848	\$833	1.8%	\$133	\$100	33.1%	\$199	\$180	10.9%	\$66	\$67	(1.5)%
Ohio	\$4,636	\$4,389	5.6%	\$7,733	\$6,609	17.0%	\$11,194	\$10,246	9.3%	\$709	\$666	6.6%
Oklahoma	\$1,988	\$1,932	2.9%	\$1,753	\$1,409	24.4%	\$0	\$0	0.0%	\$388	\$386	0.6%
Oregon	\$3,080	\$3,059	0.7%	\$3,049	\$3,098	(1.6)%	\$3,625	\$2,169	67.2%	\$279	\$270	3.3%
Pennsylvania	\$5,933	\$6,889	(13.9)%	\$9,164	\$8,131	0.0%	\$15,304	\$13,966	9.6%	\$743	\$725	2.4%
Rhode Island	\$625	\$627	(0.4)%	\$725	\$593	22.3%	\$1,134	\$1,061	6.9%	\$62	\$63	(1.6)%
South Carolina	\$2,242	\$2,215	1.2%	\$2,967	\$1,577	88.1%	\$1,893	\$1,735	9.1%	\$344	\$317	8.4%
South Dakota	\$730	\$689	5.9%	\$211	\$172	22.3%	\$0	\$0	0.0%	\$112	\$94	19.4%
Tennessee	\$2,351	\$2,226	5.6%	\$4,734	\$4,203	12.6%	\$3,423	\$3,279	4.4%	\$428	\$409	4.5%
Texas	\$13,274	\$12,485	6.3%	\$16,615	\$12,841	29.4%	\$18,813	\$13,828	36.0%	\$1,805	\$1,682	7.3%
Utah	\$1,800	\$1,633	10.2%	\$1,213	\$1,052	15.3%	\$640	\$511	25.3%	\$342	\$333	2.5%
Vermont	\$379	\$364	4.0%	\$211	\$116	82.3%	\$0	\$0	0.0%	\$49	\$52	(5.4)%
Virginia	\$3,799	\$3,640	4.4%	\$3,378	\$2,716	24.4%	\$6,797	\$6,126	10.9%	\$1,434	\$1,409	1.8%
Washington	\$4,628	\$4,444	4.1%	\$3,840	\$2,909	32.0%	\$4,375	\$4,018	8.9%	\$564	\$536	5.3%
West Virginia	\$566	\$522	8.4%	\$1,321	\$1,140	15.9%	\$1,209	\$1,108	9.1%	\$223	\$223	0.3%
Wisconsin	\$4,005	\$3,915	2.3%	\$3,543	\$3,278	8.1%	\$1,450	\$1,307	10.9%	\$367	\$321	14.3%
Wyoming	\$323	\$280	15.6%	\$39	\$8	386.1%	\$0	\$0	0.0%	\$60	\$47	27.7%
American Samoa	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
Guam	\$44	\$15	189.5%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$12	\$13	(4.4)%
Puerto Rico	\$642	\$627	2.4%	\$4,015	\$4,088	0.0%	\$1,642	\$1,291	27.2%	\$110	\$100	0.0%
U.S. Virgin Islands	\$3	\$7	(50.4)%	\$21	\$18	0.0%	\$0	\$0	0.0%	\$1	\$1	(40.2)%
Northern Mariana Islands	\$1	\$1	31.9%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
Aggregate Other Alien	\$638	\$532	20.0%	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%

**CASH FLOW AND LIQUIDITY**

The health insurance industry reported a significant increase in operating cash flow to \$25 billion in the first half of 2022 as compared to operating cash flow of \$12 billion in the first half of 2021. The considerable increase in positive cash flow is due primarily to an 11% (\$47 billion) increase in premiums collected partially offset by 10% (\$36 billion) increase in benefits and loss-related payments.

As illustrated in **Figure 8**, liquid assets and receivables increased 5% (\$20 billion) to \$384 billion in the first six months of 2022 as compared to the prior year period while current liabilities increased 10% (\$20 billion) to \$225 billion. This resulted in a decrease in the ratio of liquid assets and receivables to current liabilities to 171% from 178% for the period ended June 30, 2021.

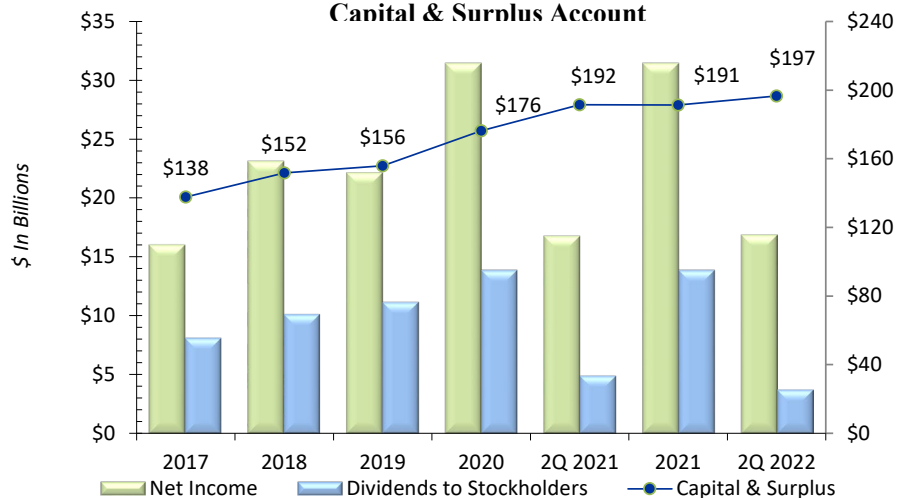
**Figure 8**  
**Ratio of Liquid Assets & Receivables to Current Liabilities**



**CAPITAL AND SURPLUS**

Health entities reported a 3% (\$5 billion) increase in capital and surplus to over \$196 billion from over \$191 billion at Dec. 31, 2021, as illustrated in **Figure 9**. The increase is due primarily to net income of \$17 billion and additional paid-in surplus of \$2 billion. However, these items were partially offset by a \$6 billion increase in unrealized capital losses, dividends of \$4 billion paid to stockholders, and a \$2 billion increase in non-admitted assets.

**Figure 9**  
**Capital & Surplus Account**





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**Disclaimer:** The NAIC 2022 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, 2022, 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.