

EXAMINATION REPORT
OF
HIGHMARK BCBSD INC.
AS OF
DECEMBER 31, 2024

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
HIGHMARK BCBS INC.
AS OF
DECEMBER 31, 2024

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

Trinidad Navarro
Insurance Commissioner

Dated this 21 day of November, 2025

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September 30, 2025

Honorable Trinidad Navarro
Commissioner of Insurance
Delaware Department of Insurance
1351 West North Street, Suite 101
Dover, Delaware 19904

Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Examination Certification No. 25.026, dated January 10, 2025, an examination has been made of the affairs, financial condition and management of

HIGHMARK BCBSD INC.

hereinafter referred to as the Company or BCBSD. The Company was incorporated under the laws of the State of Delaware as a non-stock company with its registered and home office located at 800 Delaware Avenue, Wilmington, Delaware 19801. The Company's administrative office is located at 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222.

SCOPE OF EXAMINATION

We have performed our single-state examination of BCBSD. The last examination of BCBSD was conducted as part of a coordinated multi-state examination of the Highmark Health Group, led by the Pennsylvania Insurance Department (PID), with Delaware Department of Insurance (Department) serving as a participating state. This examination covers the three-year period from January 1, 2022 through December 31, 2024.

We conducted our examination in accordance with the *National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in 18 *Del. C.* § 321, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

During this examination, consideration was given to work performed by the Company's external accounting firm, PricewaterhouseCoopers LLP (PwC). Certain auditor work papers of the 2024 audit of the Company have been incorporated into the work papers of the examiners and

have been utilized in determining the scope, areas of emphasis in conducting the examination and in risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material changes in financial statements as a result of this examination.

HISTORY

The Company was originally incorporated by the filing of a Certificate of Incorporation with the Secretary of State on August 16, 1935, as a private non-profit, non-stock corporation. The Company operates as a health service corporation in the State of Delaware and is a licensee of the Blue Cross and Blue Shield Association. The Company continues to underwrite various indemnity and managed care health insurance products, as well as Medicare supplemental, dental and vision products and also provides administrative services contracts to self-funded plans.

On December 30, 2011, the Delaware Commissioner approved an affiliation between Highmark Inc. (Highmark) and the Company imposing forty-nine (49) conditions on the affiliation that, among other things, were intended to preserve the Company's surplus and make it possible for the Company to disaffiliate, if necessary. Effective January 1, 2012, Highmark became the sole member of the Company, giving it the authority to elect the Company's Board of Directors (Board). The Company is a separate legal entity and is not liable for Highmark's obligations. In accordance with the Amended and Restated Certificate of Incorporation, in the event the Company dissolves, the Directors shall cause any remaining assets of the Company to be distributed to a foundation created pursuant to 29 *Del. C.* § 2533, or to a federally tax-

exempt organization. The Directors have discretion as to which qualified organization or organizations receive the distribution.

On April 26, 2013, the Delaware Commissioner approved the indirect control of the Company by the ultimate parent entity, later named Highmark Health (HH). On April 29, 2013, PID approved the affiliation of Highmark/West Penn Allegheny Health System. Pursuant to these two orders, HH became the sole member of Highmark and the ultimate controlling entity within the holding company system.

Capitalization

In accordance with Article III, Section 3.1 of its amended and restated bylaws, the Company is a membership corporation, operating as a not-for-profit organization, with no authority to issue capital stock.

Dividends

The Company's organizational structure does not allow for dividends to be paid.

Surplus Note

On December 31, 2024, the Company held an unrated \$10,000,000 surplus note from Highmark BCBSD Health Options Inc. (HHO) that was originally acquired on November 21, 2014. The surplus note has a stated maturity date of December 31, 2025, and interest is accrued at a variable rate per annum equal to the most recently issued one-year U.S. Treasury Bill plus 650 basis points. Because the surplus note is not rated by the NAIC's Investment Analysis Office, in accordance with SSAP No. 41, a statement factor was applied which reduced the admitted value of the surplus note to \$0 on December 31, 2024.

MANAGEMENT AND CONTROL

Directors

Pursuant to Article V, Section 5.2(a) of the Company's amended and restated bylaws, the number of Directors that constitutes a full Board shall be nine (9), consisting of four (4) Class 'A' Directors, four (4) Class 'B' Directors and the President of the Company in office. The number of Directors may be changed from time to time, in accordance with Article 13 of the amended and restated Certificate of Incorporation.

Each Class 'B' Director shall be elected annually by the sole member. Each Class 'A' Director shall hold office for three (3) years and then is subject to nomination by the Nominating Committee. The majority of the Board shall consist of: 1) persons not employed by the Company or any of its affiliates and 2) persons who are residents of the State of Delaware and have been so for at least five (5) years. Directors serving on the Company's Board as of December 31, 2024, were as follows:

<u>Name and Residence</u>	<u>Principal Occupation</u>
Nicholas Anthony Moriello Lincoln University, Pennsylvania	President Highmark BCBSD INC.
William Harvey Willis, Jr. (Class A) (CH) Smyrna, Delaware	Automobile Dealer
Alexis Ann Miller (Class B) Evans City, Pennsylvania	Health Insurance Executive Highmark Inc.
Timothy John Constantine (Class B) Wilmington, Delaware	Retired Insurance executive
Michael George Warfel (Class B) Camp Hill, Pennsylvania	Senior Vice President, Government Affairs Highmark Inc.
Randeep Singh Kahlon, M.D. (Class A) Hockessin, Delaware	Physician First State Orthopedics
Kimberly Young Markiewicz (Class A) Rockland, Delaware	Business Executive / Chemical Engineer
Katherine Frankel Musler (Class B) Gibsonia, Pennsylvania	Insurance Executive Highmark Inc.
Rita Marie Landgraf (Class A) Wilmington, Delaware	Administrator and Faculty University of Delaware - College of Health Sciences

Committees

Pursuant to Article V, Section 5.11 of the Company's amended and restated bylaws, the Board shall have two (2) standing committees: 1) Audit and Compliance Committee and 2) Governance and Nominating Committee. The Company may also have other ad hoc committees designated by resolution and passed by a majority of the Board in office. As of December 31, 2024, the following directors were members of the Audit and Compliance Committee:

<u>Name</u>	<u>Principal Occupation</u>
Randeep Singh Kahlon, M.D. (CH)	Physician, First State Orthopedics
Rita Marie Landgraf	Administrator and Faculty, University of Delaware
Kimberly Young Markiewicz	Business Executive / Chemical Engineer
William Harvey Willis, Jr.	Automobile Dealer
Timothy John Constantine	Retired Insurance Executive

As of December 31, 2024, the following directors were members of the Governance and Nominating Committee:

<u>Name</u>	<u>Principal Occupation</u>
Kimberly Young Markiewicz (CH)	Business Executive / Chemical Engineer
Randeep Singh Kahlon, M.D.	Physician, First State Orthopedics
Rita Marie Landgraf	Administrator and Faculty, University of Delaware
William Harvey Willis, Jr.	Automobile Dealer

Officers

Officers were elected in accordance with the bylaws during the period under examination. The bylaws require election of a President, Secretary and Treasurer. Any number of offices may be held by the same person except the offices of President and Secretary. The principal officers serving as of December 31, 2024, were as follows:

<u>Name</u>	<u>Title</u>
Nicholas Anthony Moriello	President ⁽¹⁾
Thomas Devlin Kavanaugh	Secretary
Donald Hays Dabkowski	Treasurer

- (1) Subsequent to the examination date the President resigned, the acting President is Thomas John Fitzpatrick, SVP Commercial Bus. Segment, Highmark Inc.

The Company maintains a formal written Code of Conduct, which sets out ethical guidelines to which all directors, officers and employees are expected to adhere to on a consistent basis when conducting business at and on behalf of the Company. Incorporated into the Code of

Conduct is a conflict-of-interest policy. All directors, officers and employees are required to complete a Conflict-of-Interest Disclosure statement upon appointment or hire and on an annual basis thereafter, and throughout the year as changes in circumstances arise that may either give rise to a potential conflict of interest or change or eliminate a potential conflict previously disclosed.

Corporate Records

The recorded Board and Committee minutes were reviewed for the examination period. The Board minutes adequately documented the Board's meetings and approval of Company transactions and events including approval of investment transactions. In addition, review of the Company's files indicated that in general, written correspondence was submitted to the Department with regard to the changes in officers and directors during the period under examination.

Receipt by the Board of the Report on Examination as of December 31, 2019, was noted in the minutes of the Audit Committee on March 5, 2021.

Insurance Holding Company System

The Company is a member of an insurance holding company system as defined under 18 *Del. C.* § 5001 (7) of the Delaware Insurance Code. The ultimate controlling entity within the holding company system is HH. The Company's Holding Company Registration Statements were timely filed with the Department for the years under examination.

An abbreviated presentation of the holding company system as of December 31, 2024, is as follows:

<u>Company</u>	<u>Domicile</u>	<u>% own</u>
Highmark Health	Pennsylvania	
Highmark Inc. ⁽¹⁾	Pennsylvania	100%
Highmark BCBSD Inc.	Delaware	100%
Highmark BCBSD Health Options Inc. ⁽²⁾	Delaware	100%

(1) Highmark Inc. does business as Highmark Blue Cross Blue Shield and Highmark Blue Shield.

(2) Highmark BCBSD Health Options Inc. is a Delaware non-profit company; the Company is the sole member.

Agreements with Affiliates

With the affiliation of the Company within the Highmark Group effective December 30, 2011, the Company entered into certain intercompany agreements. The Company's significant intercompany agreements in effect as of December 31, 2024, include:

Amended and Restated Administrative Services Agreement with Highmark Inc.

Effective January 1, 2012, the Company entered into an Administrative Services Agreement (ASA) with Highmark in connection with the Affiliation approval. The agreement establishes a plan of systems conversion and integration priorities, performance standards, budgets and timelines to be developed after the affiliation conversion. Highmark's charge to the Company for services provided under the agreement is an amount equal to the Company's fair and reasonable allocable share of the total actual cost without provision for profit. Such costs shall include, without limitation, employee salaries, employee benefits and other direct and indirect administrative costs, including reasonable charges for corporate overhead.

Effective November 13, 2013, the ASA with Highmark was amended to add a Service Level Amendment for the purpose of defining, managing and measuring performance levels of support which will be provided to the Company.

Administrative Services and Network Access Agreement with United Concordia

Effective May 29, 2013, and as subsequently amended on January 1, 2015, July 1, 2018 and April 1, 2020, the Company entered into an Administrative Services and Network Access

Agreement with United Concordia Companies, Inc. (United Concordia). The Company engaged United Concordia to provide certain services to administer and support services for the Company's Blue Cross Blue Shield-branded dental business. This Agreement applies to administration of dental products that are branded and written by the Company.

Administrative Services Agreement with Highmark Inc.

Effective July 9, 2014, the Company entered into an ASA with Highmark. Under the agreement, the Company provides certain administrative and corporate services and makes available certain facilities and equipment to Highmark for its business operations.

Investment Management Agreement with Highmark Health

Effective January 11, 2018, the Company entered into an Investment Management Agreement with HH. Under the agreement, HH performs investment management and investment advisor services. As the Company's investment manager, HH will act in conformity with the Company's Investment Policy, together with such amendments as provided to HH from time to time at Company's discretion. HH agreed that all funds and invested assets of Company are the exclusive property of the Company, held for the benefit of the Company and are subject to the control of the Company.

Administrative Services Agreement with Highmark and HHO

Effective November 1, 2019, the Company entered into an Administrative Services Agreement with Highmark and HHO, pursuant to which Highmark and the Company provide administrative and corporate services as well as certain facilities and equipment to HHO necessary for HHO to conduct its Medicaid business operations in Delaware.

TERRITORY AND PLAN OF OPERATION

Territory

The Company is licensed to solicit business as a Health Service Corporation in the State of Delaware only, and as of December 31, 2024, had approximately 1,562,114 member months for all lines of business.

Plan of Operation

The Company writes primarily comprehensive (medical and hospital) business and underwrites various indemnity and managed-care health insurance products, as well as Medicare supplemental, dental and vision products. Most of the Company's business (approximately 67.2%) falls under the Federal ACA, and a significant portion of its business (approximately 32.8%) is not underwritten, meaning there is no insurance risk to the Company. For large, self-insured accounts, the Company processes claims payments and receives reimbursement for claims and expenses from the account.

The Company also offers administrative services only (ASO) to groups and accounts throughout the State of Delaware. The administrative services provided include management of benefits, adjudication and payment of claims, response to inquiries from covered individuals and health care providers and providing Plan Sponsors with information enabling them to manage their health benefit programs.

The Company's core health insurance products are categorized into two (2) major segments, Group and Individual, as follows:

1. Group Business

Traditional

- Comprehensive Major Medical ⁽¹⁾

Senior

- Medicfill

- Medicare Advantage

Managed Care

- Exclusive Provider Organization, plan (EPO)
- Federal Employee Program (FEP)
- Preferred Provider Organization (PPO)
- Health Management Organization (HMO) ⁽²⁾

(1) This product is not currently offered; however, the Company has clients with coverage.

(2) This product is not currently offered; however, the Company has clients with coverage. Additionally, it is set up for the “Away from Home Care Guest Membership”.

2. Individual Business

Individual

- Preferred Provider Organization (PPO)

Senior

- Medigap Blue
- Medicare Advantage

The Company’s 2024 direct premiums written by lines of business are reflected below:

<u>Line of Business</u>	<u>Direct Premiums Written</u>	<u>Percent of Premiums</u>
Individual Business	\$ 316,676,744	28.9844%
Group Business ⁽¹⁾	<u>378,456,844</u>	<u>34.64%</u>
Total Comprehensive (Medical and Hospital)	\$ 695,133,588	63.62%
Medicare Supplement	29,190,365	2.67%
Vision Only	1,657,411	0.15%
Dental Only	8,293,259	0.76%
FEP ⁽²⁾	232,878,297	21.31%
Medicare	124,855,248	11.43%
Other Health	<u>647,196</u>	<u>0.06%</u>
Total Premiums	<u>\$1,092,625,364</u>	<u>100.00%</u>

(1) In 2024, approximately 44% or \$166,520,011 of the Group business was “ACA Small Group” business. The remaining 56% of the Company’s “Group” business was non-ACA business.

(2) The FEP Business is non-underwritten business; however, the NAIC Annual Statement has certain reporting requirements with regards to FEP business on certain schedules within the Annual Statement. As a result, the Company must include the FEP business on the statutory balance sheet so that the balance sheet will tie to the supporting schedules of the Annual Statement.

REINSURANCE

For 2024, the Company reported the following distribution of net premiums written:

Direct	\$ 1,092,625,364
Reinsurance assumed (from affiliates)	-
Reinsurance assumed (from non-affiliates)	-
Total direct and assumed	<u>\$ 1,092,625,364</u>
Reinsurance ceded (to affiliates)	-
Reinsurance ceded (to non-affiliates)	<u>8,304,769</u>
Net premium written	<u><u>\$ 1,084,320,595</u></u>

The Company had the following reinsurance program in effect as of December 31, 2024:

Assumed

The Company did not assume any business as of December 31, 2024, and does not have any assumed reinsurance contract in place.

Ceded

In 2020, the State of Delaware, Department of Health and Social Services (DHSS) implemented a state-run reinsurance program that reimburses individual plans that meet certain minimum criteria, as set forth in the *1332 State Innovation Waiver Application*. The fund is financed through an assessment on the individual, small and large group market premium amounts for all health insurance carriers operating in those markets in Delaware. The assessment will take place annually and is equal to 2.75% of all amounts used to calculate an entity's Delaware premium tax liability for subject products or the amount of an entity's premium tax exemption value for the previous calendar year.

There were no reinsurance credits taken in 2024.

FINANCIAL STATEMENTS

The following financial statements, as reported and filed by the Company with the Department, are reflected in the following:

- Statement of Assets and Liabilities, Capital and Surplus as of December 31, 2024
- Statement of Revenue and Expenses as of December 31, 2024
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2021 to December 31, 2024

Statement of Assets and Liabilities, Capital and Surplus
As of December 31, 2024

	Assets	Assets Nonadmitted	Net Admitted Assets	Notes
Bonds	\$ 414,997,861	\$ -	\$ 414,997,861	
Common stocks	136,757,323	-	136,757,323	
Cash, cash equivalents, short-term investments	4,999,927	-	4,999,927	
Other invested assets	13,351,233	10,000,000	3,351,233	
Receivables for securities	3,587	-	3,587	
Securities lending reinvested collateral assets	3,975,374	-	3,975,374	
Subtotals, cash and invested assets	<u>\$ 574,085,305</u>	<u>\$ 10,000,000</u>	<u>\$ 564,085,305</u>	
Investment income due and accrued	3,604,308	-	3,604,308	
Premiums and considerations:				
Uncollected premiums and agents' balances in the course of collection	40,591,094	328,175	40,262,919	
Accrued retrospective premiums and contracts subject to redetermination	4,485,226	-	4,485,226	
Amounts recoverable from reinsurers	61,239,227	-	61,239,227	
Amounts receivable relating to uninsured plans	50,168,715	2,521,130	47,647,585	
Current federal and foreign income tax recoverable	3,035,346		3,035,346	
Net deferred tax asset	13,762,266	13,762,266	-	
Electronic data processing equipment and software	174,272	4,986	169,286	
Furniture and equipment	63,989	63,989	-	
Receivables from parent, subsidiaries and affiliates	5,795,978	-	5,795,978	
Health care and other amounts receivable	48,314,770	4,647,242	43,667,528	
Aggregate write-ins for other than invested assets	7,664	7,664	-	
Total	<u>\$ 805,328,160</u>	<u>\$ 31,335,452</u>	<u>\$ 773,992,708</u>	

		<u>Note</u>
Claims unpaid	\$ 128,190,364	1
Accrued medical incentive pool and bonus amounts	3,029,244	
Unpaid claims adjustment expenses	4,074,713	
Aggregate health policy reserves, including the liability for medical loss ratio rebate per the Public Health Service Act	6,463,434	
Aggregate health claim reserves	2,156,950	
Premiums received in advance	18,739,877	
General expenses due or accrued	71,544,269	
Current federal and foreign income tax payable and interest thereon	-	
Remittances and items not allocated	2,528,498	
Borrowed Money	7,500,000	
Amounts due to parent, subsidiaries and affiliates	36,674,324	
Payable for securities	108,413	
Payable for securities lending	3,975,374	
Liability for amounts held under uninsured plans	8,783,810	
Aggregate write-ins for other liabilities	<u>38,952,014</u>	
Total liabilities	<u>\$ 332,721,284</u>	
Unassigned funds (surplus)	<u>441,271,424</u>	
Total Capital and Surplus	<u>\$ 441,271,424</u>	
Total liabilities, capital and surplus	<u><u>\$ 773,992,708</u></u>	

Statement of Revenue and Expenses
For the Year Ended December 31, 2024

Member months	1,562,114
Net premium income	\$ 1,084,320,595
Change in unearned premium reserves and reserve for rate credits	-
Total revenue	<u>\$ 1,084,320,595</u>
Hospital and Medical:	
Hospital / medical benefits	\$ 852,725,144
Prescription drugs	217,101,277
Aggregate write-ins for other hospital and medical	7,183,311
Incentive pool, withhold adjustments and bonus amounts	1,466,301
Subtotal	<u>\$ 1,078,476,033</u>
Less:	
Net reinsurance recoveries	64,341,645
Total hospital and medical	<u>\$ 1,014,134,388</u>
Claims adjustment expenses, including cost containment expenses	28,141,451
General administrative expenses	81,589,624
Increase in reserves for life and accident and health contracts	1,680,446
Total underwriting deductions	<u>\$ 1,125,545,909</u>
Net underwriting gain or (loss)	<u>(41,225,314)</u>
Net investment income earned	20,410,337
Net realized capital gains or (losses) less capital gains tax	605,820
Net investment gains or (losses)	<u>\$ 21,016,157</u>
Aggregate write-ins for other income or expenses	<u>(15,637,922)</u>
Net income or (loss) after capital gains tax and before all other federal income taxes	\$ (35,847,079)
Federal and foreign income taxes incurred	<u>(6,718,871)</u>
Net income (loss)	<u><u>\$ (29,128,208)</u></u>

Reconciliation of Capital and Surplus
For the Period from the Prior Examination
As of December 31, 2021 to December 31, 2024

	Aggregate Write- ins for Special Surplus Funds	Unassigned Surplus	Capital and Surplus
December 31, 2021	\$ -	\$ 462,551,254	\$ 462,551,254
Operations 2022 ⁽¹⁾	-	(18,565,724)	(18,565,724)
Operations 2023 ⁽²⁾	-	21,751,278	21,751,278
Operations 2024 ⁽³⁾	-	(24,465,384)	(24,465,384)
December 31, 2024	\$ -	\$ 441,271,424	\$ 441,271,424

(1) Represents:

Net income	\$ 24,228,129
Change in unrealized capital gains (losses)	(18,776,476)
Change in unrealized foreign exchange	-
Change in net deferred income tax	(3,697,754)
Change in non-admitted assets	(4,245,089)
Aggregate write-ins for gains or (losses) in	(16,074,534)
Net Change in Surplus	<u>(18,565,724)</u>

(2) Represents:

Net income	\$ 2,902,580
Change in unrealized capital gains (losses)	17,641,161
Change in unrealized foreign exchange	-
Change in net deferred income tax	1,982,876
Change in non-admitted assets	(775,339)
Aggregate write-ins for gains or (losses) in	-
Net Change in Surplus	<u>21,751,278</u>

(3) Represents:

Net income	\$ (29,128,206)
Change in unrealized capital gains (losses)	8,082,522
Change in unrealized foreign exchange	-
Change in net deferred income tax	(781,081)
Change in non-admitted assets	(2,638,617)
Aggregate write-ins for gains or (losses) in	-
Net Change in Surplus	<u>(24,465,382)</u>

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There were no changes made to the financial statements as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Claims unpaid	\$128,190,364
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In order for the examination team to gain an adequate comfort level with the Company's reserve estimates, the Department retained the actuarial services of INS Consultants, Inc. (INS) to perform a risk-focused review of the Company's reserving and pricing activities. Certain risks within the pricing and reserving processes required Phase 5 substantive test work.

Based on the procedures performed and results obtained by INS, the examination team obtained sufficient evidence to support the conclusion that the Company's net reserve estimates were reasonably stated as of December 31, 2024.

SUBSEQUENT EVENTS

Intercompany Agreement Amendment

Effective January 1, 2025, BCBSD entered a Fourth Amendment to the May 29, 2013, Administrative Services and Network Access Agreement (the Agreement) to which it is a party with United Concordia Companies, Inc. (United Concordia). The parties entered into a Fourth Amendment to the Agreement to join United Concordia to the Agreement to support BCBSD's Medicare and Dual-Eligible Special Needs (D-SNP) products, to specify the parties' claims payment responsibilities, to specify compensation due to the United Concordia parties for the services provided thereunder, and to implement a settlement payment methodology for the D-SNP product.

SUMMARY OF RECOMMENDATIONS

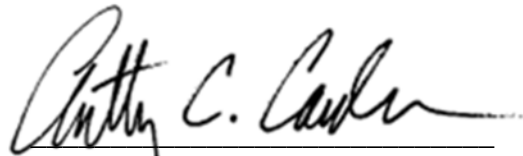
There were no examination findings or recommendations as a result of the December 31, 2024, examination.

The assistance and cooperation of the consulting actuarial firm, INS Consultants, Inc., the consulting information system specialist firm, INS Services, Inc., the Company's outside audit firm, PwC, and the Company's management and staff were appreciated and is acknowledged.

Respectfully submitted,



Keith E. Misenheimer, CFE, ALMI, CFE, ARM
Examiner-In-Charge
Delaware Department of Insurance



Anthony Cardone, CFE
Supervising Examiner
Delaware Department of Insurance

I, Keith E. Misenheimer, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to Examination Certification No. 25.026

A handwritten signature in black ink, appearing to read 'Keith E. Misenheimer', written in a cursive style.

Keith E. Misenheimer, CFE, ALMI, CFE, ARM