Employees Group Insurance Division

(A Division of the Oklahoma Health Care Authority)

Basic Financial Statements as of and for the Years Ended December 31, 2024 and 2023, Required Supplementary Information, and Independent Auditor's Report

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
Oklahoma Employees Insurance and Benefits Board

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of the Employees Group Insurance Division (EGID), a division of the Oklahoma Health Care Authority and department of the State of Oklahoma, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise EGID's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Employees Group Insurance Division, as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of EGID and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of EGID of the Oklahoma Health Care Authority and Department of the State of Oklahoma are intended to present the financial position, the changes in financial position and cash flows of only that portion of the State of Oklahoma that is attributable to the transactions of EGID. They do not purport to, and do not, present fairly the financial position of the State of Oklahoma as of December 31, 2024 and 2023, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EGID's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information related to pension and other post-employment benefits and claims development be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2026, on our consideration of EGID's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of EGID's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EGID's internal control over financial reporting and compliance.

Deloitte & Touche LLP

May 15, 2026

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Overview of the Financial Statements

The Employees Group Insurance Division (EGID) basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of EGID is to provide group health, dental, life, and disability insurance for employees of state agencies, school districts, and other governmental units of the State of Oklahoma as set forth in Title 74 of the Oklahoma Statutes. EGID, an enterprise fund of the State of Oklahoma, is a division of the Oklahoma Health Care Authority (OHCA). EGID is non-appropriated and is self-funded through insurance premiums paid by participating entities. OHCA administers state-sponsored benefits for Medicaid program beneficiaries and members of EGID's HealthChoice plans. Medicaid funds or transactions are not reported in EGID's financial statements.

The three financial statements presented within the basic financial statements are as follows:

Statement of Net Position—This statement presents information reflecting EGID's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources. The statement of net position is classified as to current and noncurrent assets and liabilities. For purposes of the basic financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or which are collectible or becoming due within twelve months of the statement date.

Statement of Revenues, Expenses, and Changes in Net Position—This statement reflects EGID's operating revenues and expenses, as well as nonoperating revenue during the year. The major source of operating revenue is premium income and the major sources of operating expenses are health, dental, life, and disability benefits. The change in net position for an enterprise fund is similar to net profit or loss for a private sector insurance company.

Statement of Cash Flows—The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating, capital and related financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the plan year, which is the same as the calendar year.

Financial Highlights

The management of EGID offers readers of EGID's basic financial statements this narrative overview and analysis of the financial activities of the entity for the years ended December 31, 2024, 2023, and 2022.

	December 31			2024 vs. 2023 Change
	2024	2023	2022	Amount
Cash and investments	$ 333,258,135	$ 352,210,401	$ 341,035,104	$ (18,952,266)
Premiums receivable—net	25,081,646	26,006,381	31,959,298	(924,735)
Other current assets	178,950,775	141,067,828	126,777,916	37,882,947
Total current assets	537,290,556	519,284,610	499,772,318	18,005,946
Office equipment—net	20,045	160,536	198,099	(140,491)
Net Pension and OPEB asset	877,422	163,786	130,788	713,636
Total assets	538,188,023	519,608,932	500,101,205	18,579,091
Deferred outflows of resources—Pension	371,319	1,360,656	2,443,309	(989,337)
Deferred outflows of resources—OPEB	224,147	80,976	103,355	143,171
Total deferred outflows	595,466	1,441,632	2,546,664	(846,166)
Total assets and deferred outflows	$ 538,783,489	$ 521,050,564	$ 502,647,869	$ 17,732,925

	December 31			2024 vs. 2023 Change
	2024	2023	2022	Amount
Claims liabilities	$ 135,443,000	$ 138,029,000	$ 120,875,000	$ (2,586,000)
Disability liabilities (current only)	2,426,000	2,044,000	1,857,000	382,000
Premium deficiency reserves	24,593,000	15,643,000	63,994,000	8,950,000
Other current liabilities	53,425,444	48,604,756	63,753,470	4,820,688
Total current liabilities	215,887,444	204,320,756	250,479,470	11,566,688
Pension and OPEB liabilities	522,524	1,322,478	2,461,596	(799,954)
Other noncurrent liabilities	18,496,000	11,232,000	9,497,000	7,264,000
Total liabilities	234,905,968	216,875,234	262,438,066	18,030,734
Deferred inflows of resources—Pension	383,315	14,766	92,624	368,549
Deferred inflows of resources—OPEB	90,996	93,989	82,393	(2,993)
Total deferred inflows	474,311	108,755	175,017	365,556
Investment in capital assets	20,045	160,536	198,099	(140,491)
Restricted	877,422	163,786	130,788	713,636
Unrestricted	302,505,743	303,742,253	239,705,899	(1,236,510)
Total net position	303,403,210	304,066,575	240,034,786	(663,365)
Total liabilities, deferred inflows, and net position	$ 538,783,489	$ 521,050,564	$ 502,647,869	$ 17,732,925

	Year Ended December 31			2024 vs. 2023 Change
	2024	2023	2022	Amount
Premium revenue	$ 1,206,525,967	$ 1,147,937,918	$ 1,116,006,534	$ 58,588,049
Other operating revenue (charges)	20,014,856	(17,957,287)	(16,287,181)	37,972,143
Total operating revenues	1,226,540,823	1,129,980,631	1,099,719,353	96,560,192
Incurred claims expense	1,191,792,713	1,098,414,694	1,087,664,907	93,378,019
Change in premium deficiency reserves	8,950,000	(48,351,000)	15,147,000	57,301,000
Administrative and claims processing expense	55,226,036	53,043,655	53,039,870	2,182,381
Total operating expenses	1,255,968,749	1,103,107,349	1,155,851,777	152,861,400
Operating (loss)/income	(29,427,926)	26,873,282	(56,132,424)	(56,301,208)
Net investment (loss)/income	28,764,561	37,158,507	(43,518,024)	(8,393,946)
Change in net position	(663,365)	64,031,789	(99,650,448)	(64,695,154)
Net position—beginning of year	304,066,575	240,034,786	339,685,234	64,031,789
Net position—end of year	$ 303,403,210	$ 304,066,575	$ 240,034,786	$ (663,365)

EGID's total assets for the year ended December 31, 2024 increased by approximately 3.6% from the previous year compared to an increase of approximately 3.9% in 2023. Other assets increased by approximately $37.9 million or 26.9% primarily due to a receivable for a legal settlement while cash and investments decreased by approximately $19.0 million or 5.4% during 2024 primarily due to increases in claims which were offset by increases in market value of investments for the plan year while 2023 showed an increase of approximately $11.2 million or 3.3%.

EGID's total assets for the year ended December 31, 2023 increased by approximately 3.9% from the previous year, where there was a decrease of approximately 14.5% in 2022. Cash and investments increased by approximately $11.2 million or 3.3% during 2023 primarily due to increases in market value of investments which were offset by increases in claims and timing of cash receipts for the plan year while 2022 showed a decrease of approximately $76.2 million or 18.3%.

In 2024, EGID earned approximately $8.3 million in interest and dividend income, experienced $12.6 million in realized gains and $8.4 million in unrealized gains, and paid $496,997 in investment expenses for a net investment gain of $28.8 million. In 2023, EGID earned approximately $7.7 million in interest and dividend income, experienced $17.7 million in realized gains and $12.3 million in unrealized gains, and paid $524,224 in investment expenses for a net investment gain of $37.2 million. EGID's investment allocation at December 31, 2024 is comprised of approximately 22% fixed income securities, 53% equities, and 25% cash equivalents, while at December 31, 2023 is comprised of approximately 28% fixed income securities, 40% equities, and 32% cash equivalents.

For the year ended December 31, 2024, premiums receivable decreased from the prior year by approximately $925,000 primarily due to the timing of premium payments and an increase in allowance for doubtful accounts. In the prior year, premiums receivable decreased approximately $6.0 million, primarily due to the timing of premium payments received from EGID's largest employer group.

In 2024, other current assets increased approximately $37.9 million primarily due to increases of $36.3 million in legal settlement receivable, $6.3 million in pharmacy rebate receivable, $8.4 million in overpaid claims receivable and $1.4 million in Medicare Part-D Coverage Gap Discount Program receivable which was offset by a decrease investment sales receivable of $1.1 million and a decrease in Medicare Part-D plan reinsurance receivable of $11.2 million. In 2023, other current assets increased approximately $14.3 million primarily due to an increase of $14.9 million in pharmacy rebate receivable, $2.6 million in overpaid claims receivable and $1.3 million in Medicare Part-D Coverage Gap Discount Program receivable which was offset by a decrease in investment sales receivable of $4.3 million and a decrease in Medicare Part-D plan reinsurance receivable of $753,000.

Total liabilities as of December 31, 2024 increased approximately $18.0 million or 8.3% from December 31, 2023 as a result of increases of $9.0 million in premium deficiency reserves, $5.1 million in claim liabilities, $2.7 million in administrative payables, $1.7 million in premiums payable to health management organizations, $450,000 in unclaimed property, which were offset by decreases of $1.1 million in payable for investment purchases and pension and OPEB liabilities of $800,000. Total liabilities as of December 31, 2023 decreased approximately $45.6 million or 17.4% from December 31, 2022 as a result of decreases of $48.4 million in premium deficiency reserves, $1.1 million in pension and OPEB liabilities, $6.5 million in payable for investment purchases, which were offset by increases in claim liabilities of $3.4 million, unclaimed property of $200,000, premiums payable to health management organizations of $2.0 million and $2.4 million in administrative payable.

A premium deficiency is required to be recognized if the sum of expected claims costs and all expected claim adjustment expenses exceeds related premiums and anticipated investment income. At December 31, 2024, a premium deficiency liability of approximately $25.0 million was recorded for the health and dental plan and $614,000 for the disability plan. No premium deficiency was necessary for the life plan. At December 31, 2023, a premium deficiency liability of approximately $15.6 million was recorded for the health and dental plan, while no premium deficiency was necessary for the life or disability plans.

In 2024, EGID saw an overall increase in premium revenue of approximately $58.6 million due to an increase in health and dental plan premium rates. In 2023, EGID saw an overall increase in premium revenue of approximately $31.9 million due to an increase in health, dental and life premium rates. The health and dental plan's premium revenues increased $25.9 million with life premiums of increasing $6.0 million and disability premiums remaining steady year over year. For the year ended December 31, 2024, EGID had other operating revenue of approximately $20.0 million which included approximately $36.3 million in legal settlement revenue and was offset by risk adjustment fees related to health claims experience of approximately $16.3 million. For the year ended December 31, 2023, EGID had other operating revenue (charges) of approximately ($18.0) million which consisted primarily of risk adjustment fees related to health claim experience.

Incurred claims comprise approximately 95.6% and 99.6% of EGID's total expenses in 2024 and 2023, respectively. Changes in premium deficiency reserves are not considered in the calculation. For the year ended December 31, 2024, total incurred claims increased by approximately $93.4 million or 8.5% from the prior year. In 2023, total incurred claims increased by approximately $10.7 million or 1.0% from the prior year.

For the year ended December 31, 2024, health and dental claim costs increased by approximately $91.9 million or 8.7%, which was more than expected, due to unfavorable claims experience. For the year ended December 31, 2023, health and dental claim costs increased by approximately $12.8 million or 1.2%, which was less than expected, due to favorable claims experience.

In 2024 and 2023, life claim costs decreased by approximately $1.4 million or 3.8% and $3.9 million or 9.5%, respectively. Disability claim costs for 2024 increased approximately $48,000 or 1.5% from the prior year. Disability claim costs for 2023 increased approximately $1.8 million or 137.2% from the prior year.

Administrative expenses for 2024 increased approximately $2.2 million from 2023. Administrative expenses make up approximately 4.4% and 4.8% of EGID's total expenses in 2024 and 2023, respectively.

EGID experienced a decrease in total net position of approximately $663,000, or 0.2% versus an increase of $64.0 million, or 26.7%, for the years ended December 31, 2024 and 2023, respectively.

During 2024, the Health and Dental program experienced a decrease in net position of approximately $8.5 million, or 2.8% from the prior year. The decrease was primarily the result of an operating loss of $25.6 million and an increase in premium deficiency of $8.3 million which was offset by net investment income of $25.4 million. During 2023, the Health and Dental program experienced an increase in net position of approximately $55.2 million, or 22.6% from the prior year. The increase was primarily the result of a decrease in premium deficiency of $48.4 million and net investment income of $34.5 million which was offset by an operating loss of $27.7 million.

The Life program experienced an increase in net position of approximately $7.2 million or 1,769.4% in 2024 and an increase of approximately $7.7 million or 105.6% in 2023.

The Disability program experienced an increase in net position of approximately $647,000 or 17.0% in 2024 compared to an increase in net position of approximately $1.1 million or 42.4% in 2023.

EGID implemented GASB 96 covering Subscription-Based information Technology Arrangements (SBITAs) for 2023. EGID has reviewed its contracts and determined one contract subject to GASB 96 reporting. However, the dollar amount of this contract has been deemed immaterial and subsequently will not be reported under GASB 96. With the implementation of this standard in 2023, EGID expensed $2,623,876 in related software costs that will not be considered assets under GASB 96. This expense includes all software expenses previously considered by EGID as fixed assets that no longer meet that requirement under GASB 96.

Economic Conditions

As a large public employer plan, total annual claim costs are less volatile than those of small employer group plans. While various factors continue to apply upward pressure on medical and prescription drug costs, management of EGID is positioned to monitor the changing healthcare environment and implement initiatives to minimize the impact of increased cost trends. Many factors such as the proliferation of expensive specialty medications and an aging population will continue to be significant drivers of healthcare costs. The insurance industry monitors healthcare costs by establishing a percentage of cost increases known as "trend." Trend is the forecast change in health plans' per capita claims cost determined by insurance carriers, managed care organizations, and third-party administrators. Many factors influence trend, including the following:

- Price inflation
- Manufacturer rebates
- Deductibles and copayments
- Cost-shifting
- Utilization increases due to aging, product promotion, and improved diagnostic services
- The availability and use of more expensive drug therapies

- Government mandated benefits and other legislative changes
- Advances in medical technologies

According to Aon Consulting Inc, EGID's consulting actuarial firm, the 2024 national healthcare trends for plans similar to EGID's HealthChoice High plan was 8.3% for medical only, 13.5% for pharmacy only, or 9.7% combined. The national trend for Medicare supplement plans was 5.5% for medical only, 13.4% for pharmacy only, or 11.3% combined. In 2024, EGID's pharmacy only (before rebates) trend was 4.9%. EGID's active and pre-Medicare retiree medical only trend was 7.5% resulting in a 6.6% combined medical and pharmacy trend. The Medicare supplement plan trend was 6.9% for medical only resulting in 5.4% combined medical and pharmacy trend. These trends are adjusted for plan design and provider contracting changes during the measurement period.

Since annual premium rates are set in August of the previous year, the rate setting process applies trend factors for claims incurred through April. The medical trend applied by EGID's actuaries for calculating 2024 rates was 3.5% for active employees, pre-Medicare retirees and 5.5% for Medicare retirees, which reflect an allocation by percentage for primary members of 73.6%, 3.5% and 22.9% respectively. The medical trend applied by EGID's actuaries for calculating 2023 rates was 3.0% for active employees, pre-Medicare retirees and Medicare retirees. The prescription drug trend used for setting 2024 was 12.0% for active employees, pre-Medicare retirees as well as Medicare retirees. The dental trend used for setting 2024 rates was 3.0% and 3.0% in 2023.

During 2024, EGID's investment portfolio experienced an overall positive return of 9.9%, driven primarily by a 17.8% gain from the equity portfolio and a 2.1% gain from the fixed income portfolio while cash provided gains of 5.1% as the U.S. economy benefited from moderating inflationary pressure, a softening but still healthy labor market, and a pullback from peak interest rates. In 2023, EGID experienced a 12.7% positive return for the calendar year, driven primarily by a 23.0% gain from the equity portfolio and a 6.0% gain from the fixed income portfolio while cash provided gains of 5.0% as the U.S. economy experienced decreased inflationary pressure, easing concerns over a recession while global geopolitical concerns continued for 2023.

In the commercial health insurance industry, "medical loss ratio" (MLR) measures the percentage of each premium dollar that is spent on providing healthcare to their customers versus administrative costs. The medical loss ratio is a basic indicator of an insurer's efficiency in delivering services. The Affordable Care Act (ACA) establishes a minimum loss ratio of 80% for the individual and small group health insurance segments, and 85% for the large group segment. EGID's MLR was 99.5% in 2024 and 96.3% in 2023.

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EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 103,981,553	$ 133,879,626
Investments	229,276,582	218,330,775
Receivables:		
Interest and dividends receivable	220,383	865,311
Unsettled investment sales	-	1,094,012
Premiums—net of allowance of $5,021,741 and $4,095,000 at December 31, 2024 and 2023, respectively	25,081,646	26,006,381
Pharmacy rebate receivable	100,417,200	94,113,742
Other—net	78,313,192	44,994,763
Total current assets	537,290,556	519,284,610
NONCURRENT ASSETS:		
Office equipment	74,234	289,836
Less accumulated depreciation	(54,189)	(129,300)
Office equipment—net	20,045	160,536
Net pension and OPEB asset	877,422	163,786
Total noncurrent assets	897,467	324,322
Total assets	538,188,023	519,608,932
DEFERRED OUTFLOWS OF RESOURCES		
Pension amounts	371,319	1,360,656
OPEB amounts	224,147	80,976
Total deferred outflows of resources	595,466	1,441,632
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 538,783,489	$ 521,050,564

(Continued)

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
LIABILITIES		
CURRENT LIABILITIES:		
Policy and contract claim liabilities	$ 135,443,000	$ 138,029,000
Disability	2,426,000	2,044,000
Premium deficiency reserve	24,593,000	15,643,000
Premiums due to health maintenance organizations and other insurers	23,344,373	21,601,684
Payable for investment purchases	0	1,113,748
Other accrued liabilities	30,081,071	25,889,324
Total current liabilities	215,887,444	204,320,756
NONCURRENT LIABILITIES:		
Policy and contract claim liabilities	13,293,000	6,588,000
Disability	5,203,000	4,644,000
Net pension liability	0	974,676
Total OPEB liability	522,524	347,802
Total noncurrent liabilities	19,018,524	12,554,478
Total liabilities	234,905,968	216,875,234
DEFERRED INFLOWS OF RESOURCES		
PENSION AMOUNTS	383,315	14,766
OPEB AMOUNTS	90,996	93,989
Total deferred inflows of resources	474,311	108,755
NET POSITION		
INVESTMENT IN CAPITAL ASSETS	20,045	160,536
RESTRICTED	877,422	163,786
UNRESTRICTED (Note 2(f))	302,505,743	303,742,253
Total net position	303,403,210	304,066,575
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 538,783,489	$ 521,050,564

See accompanying notes to basic financial statements. (Concluded)

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
OPERATING REVENUES:		
Premium revenue	$ 1,206,525,967	$ 1,147,937,918
Other operating revenue (charges)	20,014,856	(17,957,287)
Total operating revenues	1,226,540,823	1,129,980,631
OPERATING EXPENSES:		
Incurred claims expense	1,191,792,713	1,098,414,694
Change in premium deficiency reserve	8,950,000	(48,351,000)
Administrative and claim processing	55,226,036	53,043,655
Total operating expenses	1,255,968,749	1,103,107,349
OPERATING INCOME/(LOSS)	(29,427,926)	26,873,282
NONOPERATING REVENUE—Net investment income	28,764,561	37,158,507
Change in net position	(663,365)	64,031,789
NET POSITION—Beginning of year	304,066,575	240,034,786
NET POSITION—End of year	$ 303,403,210	$ 304,066,575

See accompanying notes to basic financial statements.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Premiums collected	$ 1,200,881,966	$ 1,153,971,832
Premiums collected on behalf of health maintenance organizations and other insurers	290,904,191	266,262,355
Payments collected/(paid) from Centers for Medicare and Medicaid Services	6,723,369	(1,314,944)
Risk adjustment premium paid	(16,434,868)	(17,735,200)
Benefits paid	(1,193,036,171)	(1,097,932,063)
Premiums paid to health maintenance organizations and other insurers	(288,981,135)	(263,169,371)
Payments to employees for services	(9,304,128)	(9,699,333)
Payments to suppliers for goods and services	(41,203,511)	(53,408,537)
Other operating cash received (paid)	3,131,295	(3,036)
Net cash used in operating activities	(47,318,992)	(23,028,297)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES—Acquisition of capital assets		(19,549)
Net cash used in capital financing activities		(19,549)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(113,748,606)	(146,517,411)
Proceeds from sales and maturities of investments	123,283,937	199,248,722
Investment income received	7,885,588	7,074,723
Net cash provided by investing activities	17,420,919	59,806,034
Net change in cash and cash equivalents	(29,898,073)	36,758,188
CASH AND CASH EQUIVALENTS—Beginning of year	133,879,626	97,121,438
CASH AND CASH EQUIVALENTS—End of year	$ 103,981,553	$ 133,879,626
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating income/(loss)	$ (29,427,926)	$ 26,873,282
Adjustments to reconcile operating loss to net cash used in operating activities (used in) operating activities:		
Depreciation	54,258	56,529
Loss on disposal of fixed assets	86,232	581
Change in operating assets, deferred outflows or resources, liabilities, and deferred inflows of resources:		
Premium receivable	924,735	5,952,917
Prepaid premiums	335,000	(118,000)
Pension and OPEB assets/liabilities	(86,318)	(1,106,117)
Deferred inflows of resources	365,556	(3,037,009)
Deferred outflows of resources	846,166	4,075,779
Other receivables	(39,621,887)	(18,374,318)
Claim reserves	4,119,000	18,528,000
Disability reserves	941,000	548,000
Premium deficiency reserves	8,950,000	(48,351,000)
Premiums due to health maintenance organizations and other insurers	1,742,689	1,977,037
Other liabilities	3,452,503	(10,053,978)
Total adjustments	(17,891,066)	(49,901,579)
NET CASH USED IN OPERATING ACTIVITIES	$ (47,318,992)	$ (23,028,297)

See accompanying notes to basic financial statements.

1. DESCRIPTION OF EGID

The Employees Group Insurance Division (EGID) is a non-appropriated division of the Oklahoma Health Care Authority (OHCA), an enterprise fund of the State of Oklahoma and is a special-purpose state and local government body created by statute to engage solely in business-type activities. EGID funds are held in trust, and from these funds, EGID administers, manages, and provides group health, dental, life, and disability insurance for active employees and retirees of state agencies, school districts, and other participating governmental units of the State of Oklahoma (the State). EGID is self-insured and is financed through premiums collected from employers and employees. EGID retains a legal obligation to establish a trustee relationship whereby EGID's funds are held for the ultimate benefit of those who obtain insurance from EGID. EGID provides insurance to all statutorily defined eligible employees, dependents, and retirees.

The following brief description of EGID is provided for general information purposes only. Participants should refer to Title 74 of the Oklahoma Statutes, Sections 1301 et seq. as amended, for more complete information.

In accordance with Title 74, EGID maintains three separate programs, the Health and Dental program, the Life program, and the Disability program. There is no statutory restriction that would prevent assets accumulated in one program from paying benefits due under another program.

EGID is overseen by a seven-member board, which comprises four members appointed by the governor, one member appointed by the speaker of the House of Representatives, one member appointed by the president pro tempore of the Senate, and the Oklahoma Insurance Commissioner or his designee.

(a) General

In 1968, EGID was formed by the State Legislature to provide group health, dental, and life benefits to participants of the Oklahoma Public Employees Retirement System (OPERS) and active employees of the State. Subsequently, other groups became eligible for participation, including persons covered under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), survivors, and certain local government employees. COBRA allows temporary continuance of insurance coverage under certain circumstances. Survivors are individuals who were covered eligible dependents of a participant in EGID at the time of the participant's death. EGID was created by the State Legislature and could be abolished by the same body.

In 1978, EGID became self-insured. Beginning in 1985, participants were given the option of electing health coverage from certain health maintenance organizations (HMOs). Plans similar to HMOs provide dental coverage for those participants who elect to participate in them (DMOs). In 1986, the State added a self-insured disability program administered by EGID.

In 1989, participants of the Teachers' Retirement System of Oklahoma (TRS) and active employees of school districts became eligible to enroll in EGID (educational participants). The educational participants receive the same health and dental coverage options provided to state and local governmental participants. Life coverage was made available to active educational participants beginning July 1, 1991. Disability coverage is not available to educational participants.

Effective July 1, 1993, the Oklahoma State Employee Benefit Council (EBC) began contracting with HMOs and DMOs on behalf of state employees to provide health and dental coverage for those participants who elect such coverage.

In 1994, EGID began using the trade name HealthChoice.

Effective January 1, 2006, EGID's self-funded plan HealthChoice became a Medicare Part D Prescription Drug Plan pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003.

In 2012, pursuant to House Bill 3053 and House Bill 3079, various agencies including EGID (formerly, the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB)) were consolidated as divisions within the Office of Management and Enterprise Services (formerly, the Office of State Finance). EGID's duties were transferred to the Director of OMES and the newly created Oklahoma Employees Insurance and Benefits Board (OEIBB). Only the administrative functions of EGID were consolidated. The EGID funds continue to be held in trust and managed pursuant to state law for the benefit of its members.

Effective November 1, 2013, EGID and the Employee Benefits Department (formerly, EBC) were further consolidated under the Human Capital Management Division (HCM) of OMES and EGID became a department within OMES.

On January 17, 2017, EGID became a division of OMES. With this, EGID assumed responsibility for contracting with commercial health (HMO), dental (DMO), and vision benefit plans.

On July 1, 2024, EGID became a division of the Oklahoma Health Care Authority.

(b) Premiums and Participants

The health, dental, life, and disability benefits for governmental participants are funded by monthly premiums paid by the State, local governmental units, OPERS, and individuals. The health, dental, and life benefits for educational participants are funded by monthly premiums paid by school districts, TRS, and individuals. A participant may extend coverage to dependents for an additional monthly premium based on the coverage requested.

Premiums remitted to EGID on behalf of active state employees and their dependents for the years ended December 31, 2024 and 2023 are reported gross of a fee retained by Employees Benefits Department (EBD). This fee, which was approximately $4,022,000 and $4,032,000 for the years ended December 31, 2024 and 2023, respectively, is included in administrative expenses in the statements of revenues, expenses, and changes in net position. For the years ended December 31, 2024 and 2023, premiums for local government, education, and inactive participants who have elected an HMO for health coverage or DMO for dental coverage are collected by EGID and remitted to the HMO or DMO carrier net of an administration fee retained by EGID. This fee, which was approximately $2,488,000 and $2,312,000 for the years ended December 31, 2024 and 2023, respectively, is included as an offset to administrative expenses in the statements of revenues,

expenses, and changes in net position. The premium related to HMOs, DMOs, and vision plans was approximately $290,724,000 and $265,146,000 for 2024 and 2023, respectively, and, as EGID only acts in an agency capacity, the premiums collected on behalf of HMOs, DMOs, and vision plans are not reflected in the statements of revenues, expenses, and changes in net position.

Pursuant to the authority granted by Oklahoma Statute, EGID has the authority to establish and change HealthChoice premium rates for the members, employers, and other contributing entities each year. An outside actuarial consultant advises EGID regarding changes in premium rates. If premium rates are changed, they generally become effective at the beginning of the next calendar year. Each HMO, DMO, and vision plan determines its own premium rates.

At the time of premium payment, the risk of loss due to incurred benefit costs is transferred from the participant to EGID. If the assets of EGID were to be exhausted, participants would not be responsible for EGID's liabilities. Based on this, EGID acts as a public-entity risk pool for the State of Oklahoma.

At December 31, 2024, EGID's self-funded health plan HealthChoice provided health coverage to 124 state agency divisions with approximately 24,000 primary participants (not including dependents), 580 educational entities with approximately 58,000 primary participants, 297 local government entities with approximately 8,000 primary participants, and 35 other groups, which include the governmental and educational retirement systems, COBRA, and survivors, with approximately 31,000 primary participants. Approximately 58,000 dependents participated in HealthChoice as well. In addition, EGID collected and remitted premiums for approximately 24,000 primary participants and 7,500 dependents who were covered by HMOs. These counts are provided for health coverage only.

At December 31, 2023, EGID's self-funded health plan HealthChoice provided health coverage to 124 state agency divisions with approximately 24,000 primary participants (not including dependents), 577 educational entities with approximately 58,000 primary participants, 293 local government entities with approximately 8,000 primary participants, and 35 other groups, which include the governmental and educational retirement systems, COBRA, and survivors, with approximately 32,000 primary participants. Approximately 56,000 dependents participated in HealthChoice as well. In addition, EGID collected and remitted premiums for approximately 27,000 primary participants and 7,500 dependents who were covered by HMOs. These counts are provided for health coverage only.

All state agencies in Oklahoma are required to offer to their active employees the coverage selections offered by EBD. All eligible education or local government entities may elect to participate in EGID. Any education entity or local government entity, which elects to withdraw from offering EGID as an insurance option may do so with 30 days written notice and must withdraw both its current and former employee participants.

Coverage

A summary of available coverage and eligible groups for the years ended December 31, 2024 and 2023 is as follows:

	State Employee	Education Employee	Local Government Employee	OPERS	TRS	COBRA
Health	x	x	x	x	x	x
Dental	x	x	x	x	x	x
Life	x	x	x	x	x	
Disability	x					
Medicare supplement			x	x	x	x

(c) Benefits

A provider Network arrangement is available for health and dental benefits. According to this arrangement, Network providers agree to accept amounts for covered services that do not exceed the charges allowed by EGID. Therefore, the Network provider can only expect to receive payment from the participant for the charges allowed by the Network agreement.

HealthChoice offers the following types of insurance coverages:

High Option, Basic Option, and High Deductible Health Plan (HDHP) options for non-Medicare participants

- High and Basic Plans have alternatives based upon tobacco-free attestations. If a member cannot complete the tobacco-free attestation or one of the reasonable alternatives described, the member will automatically be enrolled in the HealthChoice High Alternative Plan or Basic Alternative Plan as appropriate. The annual deductible and maximum out-of-pocket limits for the Alternative plan will be higher than the standard options;
- High and Low Option Medicare Supplement plans;
- Pharmacy benefits;
- Dental Coverage;
- Term life coverage; and
- Disability income protection coverage.

Non-Medicare Health Plans

The health plans for non-Medicare participants have the following features:

- Calendar Year Deductible;
- Copayments;
- Coinsurance; and
- Calendar Year Out-of-Pocket Maximum.

High Option/High Option Alternative

Deductible

No member must contribute more than the individual deductible. Once the individual deductible is met, the member shares the cost of services with HealthChoice by paying coinsurance. A family deductible applies when three or more family members are covered and can be met by any combination of the family members. Once the family deductible is met, coinsurance will begin for everyone.

High Plan	**High Alternative Plan**
Individual deductible $750	Individual deductible $1,000
Family deductible $2,000	Family deductible $2,750

Copayments

Service	**Copay**
General physician office visit (network general practitioners, internal medicine physicians, OB/GYNs, pediatricians, physician assistants and nurse practitioners)	$ 30
Urgent care (urgent care visits at a network urgent care facility)	30
Specialist office visit (network specialist providers)	50
Emergency department (network or non-network visit; waived if the patient is admitted to the hospital or if death occurs prior to admission)	200
Non-network inpatient admission (non-network hospital/facility admissions; patient is subject to balance billing)	300
Preventive services when rendered by a participating network provider (qualified preventive care office visits and services)	-

The fixed amount a participant must pay for certain services. These apply before the deductible, but do not count towards deductible. Copays do apply towards meeting participant out-of-pocket maximum.

Coinsurance

Once the deductible is met, coinsurance applies based on network status. Participant is responsible for the cost of all non-covered services, regardless of network status.

Coinsurance	**Network**	**Non-Network**
Member	20% of allowable amount	50% of allowable amount**
HealthChoice	80% of allowable amount	50% of allowable amount

** Plus, any difference between amount billed by provider and allowable amount.

Out-of-Pocket Maximum

No member contributes more than the individual maximum. Once the individual maximum is met, HealthChoice then pays 100% of the allowed amount for that person. A family maximum applies when three or more family members are covered and can be met by any combination of the family members. HealthChoice then pays 100% of the allowable amounts for covered services for everyone on the plan.

High Plan	**High Alternative Plan**
Network Individual $3,300	Network Individual $3,550
Network Family $8,400	Network Family $8,400
Non-Network Individual $3,800	Non-Network Individual $4,050
Non-Network Family $9,900	Non-Network Family $9,900

The following charges do not count toward meeting the out-of-pocket maximum and do not qualify for 100% payment after the out-of-pocket maximum is met:

- Amounts above HealthChoice allowable amounts.
- Non-network copays.
- Non-covered services or charges.
- Amounts above maximum benefit limitations—Some services have an annual cap on the dollar amount or the total number of visits that will be covered. After the annual limit is reached, the member must pay all associated health care costs for the remainder of the calendar year.
- No lifetime maximum per member.

Basic/Basic Alternative Plans

The Basic options do not have copayments except for pharmacy charges and for non-network inpatient hospital admissions. The plans provide 100% First Dollar Coverage of allowable fees for covered medical services for each covered plan member. Preventive services do not apply to the First Dollar Coverage. The member then pays 100% of the deductible. Once the deductible is reached, the member and HealthChoice each pay 50% of allowable fees ($4,000 for an individual, $8,000 for a family of two, $9,000 per family of three or more) up to the maximum out of pocket expense (MOOP). HealthChoice reimburses allowable fees at 100% once the member has reached the MOOP. The MOOP does not include charges for non-covered services and balance billing charges from non-network providers. Preventive care services are covered at 100 percent of allowable fees and are not subject to the Plan's First Dollar Coverage. Pharmacy deductibles and MOOPs are separate from medical.

- For the Basic Plan the First Dollar Coverage is $500 per individual and the annual deductible is $1,000 ($1,500 per family)
- For the Basic Alternative Plan, the First Dollar Coverage is $250, and the annual deductible is $1,250 ($1,750 per family).

High Deductible Health Plan

The HealthChoice HDHP option is a qualified, high deductible health plan that can be used in combination with a Health Savings Account. The HealthChoice HDHP has a combined medical and pharmacy deductible ($1,750 for an individual or $3,500 for a family of two or more) that must be met before any benefits are payable. That does not include preventive charges which are covered at 100% of allowable fees when utilizing a network provider. After the deductible is met, the member is responsible for the same copayments and coinsurance percentages as the High Option Plan. There is a network MOOP of $6,000 per individual or $12,000 per family of two or more after which HealthChoice pays 100% of allowable fees for covered services from a network provider. The MOOP does not include charges for non-covered services and balance billing charges from non-network providers.

Tobacco Free Attestation

To remain enrolled in the HealthChoice High Option Plan or Basic Plan, the member must attest that the member and any covered dependents are tobacco-free by completing an attestation as part of the annual Option Period enrollment process. If the member cannot complete the tobacco-free attestation because the member or any covered dependent is not tobacco-free, the member can still qualify for the High Option or Basic Option Plans by providing proof of an attempt to quit using tobacco through a prescribed process involving the Oklahoma Tobacco Helpline and Alere Wellbeing, or by providing a letter from the participant's doctor indicating it is not medically advisable for the individual to quit tobacco. HealthChoice High Deductible Health Plan does not require a tobacco free attestation to be completed.

HealthChoice Select Program

The HealthChoice Select program is available to participants and provides specified medical services at no cost to the member. If a participant has one of the qualifying Select procedures done at a participating Select facility for that procedure, there is no copay, deductible or coinsurance applied. High Deductible Health Plan members must meet their annual deductible before they are eligible to have any costs waived (unless the service is considered preventive).

Pharmacy Benefits

Medications are categorized as generic, preferred, non-preferred, preferred specialty, or non-preferred specialty.

High Option, High Alternative, Basic, and Basic Alternative Plans. There is a $100/individual or $300/family pharmacy deductible. After this deductible is met, and when purchasing generic medications from a network provider, the member is responsible for up to a $10 copayment for up to a 30-day supply or up to a $25 copayment for a 31–90 day supply of medication. For up to a 30 day supply of preferred medications, the member is responsible for up to $45. For a 31–90 day supply of preferred medications, the member is responsible for up to $90. For up to a 30 day supply of non-preferred medications, the member is responsible for up to $75. For a 31–90 day supply of non-preferred medications, the member is responsible for up to $150.

The member is responsible for specialty medications based on the day supply the generic specialty medication copay is $10 for a 30 day supply and $25 for 31-90 day supply. The preferred specialty medication copay is $100 copayment up to a 30-day supply, $200 copayment for a 31-60 day

supply, and $300 for a 61-90 day supply. The non-preferred Specialty medications copays is $200 up to a 30 day supply, $400 for a 31-60 day supply, $600 for a 61-90 day supply.

Medications listed on the HealthChoice Preventive Medication List bypass any pharmacy deductibles and any medications mandated as preventive by the Affordable Care Act (ACA) are available for members at $0 copayment. There is an annual $2,500/individual or $4,000/family MOOP (Note: our records show at implementation the MOOP applies to all drugs). In addition, certain prescription medications for smoking cessation are available at a $0 copayment.

High Deductible Health Plan (HDHP) has a combined medical and pharmacy deductible of $1,750 for an individual and $3,500 for a family and a MOOP of $6,000 for an individual and $12,000 for a family. Once the deductible is met for the HDHP, the plan functions the same as the other pharmacy plans outlined above. Additionally, medications on the HealthChoice Preventive Medication list bypass the HDHP deductible and tobacco cessation products and ACA mandated preventive medications are available for $0 copayment.

For purchases made at non-network pharmacies, the member is responsible for 50% of the cost of the medication for preferred medications, and 75% of the cost of the medication for non-preferred medications at the contracted rate plus dispensing fee.

If a brand-name medication is chosen when a generic is available, the member is responsible for the difference in cost between the brand-name medication and the generic, in addition to the applicable copayment.

Medicare Supplement Health Plans

HealthChoice provides high option and low option Medicare supplement benefit plans to retired Medicare-eligible participants and their dependents. These supplements are based upon a modified Plan G level of benefits and include a pharmacy prescription program, preventive care benefits, out-of-country benefits, and an at-home recovery benefit.

This coverage provides for reimbursement of Medicare-eligible expenses which may not be fully reimbursed by or which exceed the amount allowed by Medicare. Medicare Part A expenses are generally reimbursed at 100% of eligible Medicare expenses not reimbursed by Medicare. The Medicare Part A deductible is also fully reimbursed by HealthChoice. Medicare Part B expenses are generally reimbursed at 20% of eligible Medicare expenses not reimbursed by Medicare.

Medicare Part D Pharmacy Benefits

HealthChoice High and Low Medicare Supplement Option Plans with or without Part D have a MOOP amount of $8,000. The Plans pay 100% of prescription Part D medications after this $8,000 is reached.

- HealthChoice Supplemental High Option with Part D is a 4-tier copayment structure and has a $100 pharmacy deductible.
- HealthChoice Supplemental High Option without Part D follows the same copayment structure as the HealthChoice High Option.

- HealthChoice Supplemental Low with or without Part D has the following four stages:
  - Stage 1 (Deductible stage): member pays the full cost of medications until the annual deductible of $545 is met.
  - Stage 2 (Initial Coverage stage): member pays their cost share until the year-to-date "total drug costs" reaches $5,030.00 Member pays 25% ($1,257.50) and HealthChoice pays 75% ($3,772.50).
  - Stage 3 (Coverage Gap): the member pays 100% of the prescription drug cost until the MOOP reaches $8,000. During this stage, the member gets a discounted rate of 25% of the cost on generics and 25% of the cost of brand-name medications.
  - Stage 4 (Catastrophic coverage): HealthChoice pays 100% of prescription drug costs upon reaching MOOP of $8,000.

If a brand-name medication is chosen when a generic is available, the member is responsible for the difference in cost between the brand-name medication and the generic, in addition to the applicable copayment.

HealthChoice Dental Plan

Allowed expenses for HealthChoice dental benefits are reimbursed at a percentage ranging from 60% to 100%, based on the class of the allowed expense, when using Network providers. The same services when using a non-Network provider are reimbursed at a percentage ranging from 50% to 100%. There is a $25 deductible ($75 per family) when using either Network or non-Network providers. There is a calendar year maximum dental benefit of $2,500 per covered person.

Orthodontic benefits are covered at 50% of allowable amounts for members under age 19, or members ages 19 and older with temporomandibular joint dysfunction. There is no calendar year deductible or lifetime maximum benefit; however, a 12-month waiting period applies to all orthodontic benefits except for those members being treated for TMD.

Life Plan

HealthChoice basic life benefits of $20,000 are provided to active state employees and available to active education, and local government employees whose employer chooses to participate in the HealthChoice Life Insurance Program. In addition to the basic life benefit of $20,000, participants may elect additional coverage in increments of $20,000 up to $500,000. Additional dependent life coverage is also available under three separate plans. The low option plan offers dependent life coverage of $6,000 for spouses and $3,000 for children. The standard option plan offers dependent life coverage of $10,000 for spouses and $5,000 for children. The premier option offers dependent life coverage of $20,000 for spouses and $10,000 for children.

Retirees may elect to retain the full coverage for basic life benefits held at the time of termination of employment. Coverage thereafter may be decreased in $5,000 increments to a minimum of $5,000 or totally terminated. Prior to July 1, 2002, no more than $15,000 of basic life insurance could be retained after termination of employment. The retiree may retain dependent life coverage in force on eligible dependents in $500 increments.

Disability Income Protection Plan

HealthChoice disability income benefits are based on the length of employment, base salary limited by a maximum allowable salary, and length of disability. There is a 30-day qualifying period for short-term disability. Long-term disability becomes effective 180 days after disablement. Income from other sources occurring due to the disability will reduce the HealthChoice disability benefit amount to be paid. The duration of the long-term benefit is determined based upon the age and length of employment of the participant at the time the disability occurs.

HMO DMO Coverage and Benefits

Health benefits and dental benefits are provided directly by the HMOs and DMOs for all participants who elect such coverage. For each participant who elects HMO or DMO coverage, EGID collects and pays the premiums to each HMO or DMO carrier. The amounts paid by EGID to each HMO or DMO are in accordance with their respective contracts. Benefits are the responsibility of each HMO or DMO carrier and are subject to the provisions defined in their insurance policies. EGID has no liability for health benefits or dental benefits of participants who elect HMO or DMO coverage; therefore, activity related to HMO, DMO, and vision benefits are not reflected in the basic financial statements of EGID.

Claims Processing

All benefits for HealthChoice are processed and paid by third-party administrators (TPAs). The fees incurred by EGID for services performed by the TPAs totaled approximately $33,824,000 and $32,437,000 for the years ended December 31, 2024 and 2023, respectively. TPA fees are included in administrative expenses in the statements of revenues, expenses, and changes in net position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

EGID's basic financial statements are prepared in accordance with U.S. generally accepted accounting principles as they apply to governmental units. As an enterprise fund, EGID presents financial statements on the accrual basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

(b) Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent amounts at the date of the basic financial statements and the reported amounts of revenue and expenses during the reporting period. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. EGID adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the basic financial statements in future periods.

(c) Investments and Investment Income

Investments are stated at fair value based on quoted prices with changes in fair value included in the statements of revenues, expenses, and changes in net position. If quoted prices are not available from active exchanges for identical instruments, then fair values are estimated using quoted prices from less active markets, quoted prices of securities with similar characteristics, or by pricing models utilizing other significant observable inputs. Investments in external investment pools, such as commingled or mutual funds, are stated at net asset value (NAV), which approximates fair value of the commingled fund at December 31, 2024 and 2023.

EGID records investment purchases and sales based upon the trade date. Therefore, EGID records either receivables or payables for unsettled sales or purchases, respectively. Such transactions are usually settled within a few days after the trade date.

Realized gains and losses are determined on the average-cost method. The calculation of realized gains and losses is independent of the calculation of the change in net unrealized gains and losses. Realized gains and losses on investments that had been held in more than one year and sold in the current year may have been recognized as unrealized gains and losses in prior years.

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(d) Office Equipment

Office equipment is recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the equipment, which range from 5 to 10 years. The capitalization threshold for office equipment is $2,500, and any purchases of equipment costing less than the threshold are expensed when purchased.

(e) Reserves

EGID establishes HealthChoice health and dental and life reserves based on the ultimate estimated cost of settling claims that have been reported but not settled, and of claims that have been incurred but not yet reported. Reserves for life are classified as current or noncurrent liabilities. HealthChoice disability reserves are also established based on the estimated ultimate cost of settling claims of participants currently receiving benefits and for disability claims incurred but not yet reported to EGID. Long-term disability reserves are carried at the present value of expected future benefits. The reserves are determined using EGID's historical benefit payment experience. These estimates are based on data available at the time of estimate and are reviewed by EGID's independent consulting actuaries. The health, dental, and life reserves and the disability reserves include liabilities for claim processing expenses associated with paying claims, which have been incurred, but not yet paid. The length of time for which costs must be estimated depends on the coverage involved.

Although reserves reflect EGID's best estimates of the incurred claims to be paid, due to the complex nature of the factors involved in the calculation, the actual results may be more or less than the estimate. The claim reserves are recomputed on a periodic basis using actuarial and statistical techniques, which consider the effects of general economic conditions, such as inflation, and other factors of past experience, such as changes in participant counts. Adjustments to claim reserves are recorded in the periods in which they are made. Claims must be filed no later than the last day of the calendar year immediately following the calendar year in which the loss is sustained unless an extenuating circumstance can be shown to exist.

Premium deficiency reserves are required to be recorded when the anticipated costs of settling claims plus policy maintenance costs for the following fiscal year are in excess of the anticipated premium receipts and investment income for the following fiscal year.

(f) Net Position

At December 31, 2024 and 2023, EGID has no legally required minimum net position. However, EGID has elected to implement the Oklahoma Employees Insurance Benefits Board (OEIBB) policy which recommends the benchmark for minimum net position be based upon the National Association of Insurance Commissioners (NAIC) Managed Care Organizations Risk Based Capital Formula for the Health and Dental program, and the NAIC Life/Health Risk Based Capital Formula for the Life and Disability programs. The minimum net position benchmark at December 31, 2024 and 2023 is approximately $205,956,000 and $204,991,000, respectively.

The NAIC Risk Based Capital Formulas were selected as the basis for determining minimum net position primarily due to the following factors:

- Degree and nature of the risks undertaken
- Size of EGID
- Degree of conservatism inherent in the premium rates
- Degree of safety desired

The primary risks that would threaten EGID's solvency include the following:

- The risk that claims incurred will exceed premiums collected
- The risk of default or decline in value of EGID's assets
- The risk of large monetary judgments stemming from possible lawsuits against EGID

A comparison of the minimum net position benchmark and unrestricted net position at December 31, 2024 and 2023 as reported in the basic financial statements is as follows (in thousands):

	2024 Total
Minimum net position	$ 205,956
Unrestricted net position	302,506

	2023 Total
Minimum net position	$ 204,991
Unrestricted net position	303,742

As part of the rate setting process, EGID considers total net position in comparison with the minimum net position benchmark in setting rates toward achieving the minimum net position benchmark. Title 74 of the Oklahoma Statutes, Section 1321C provides that EGID may adjust rates mid-year if the need is substantiated by an actuarial determination. Consistent with prior years, EGID does not anticipate the need for a mid-year rate adjustment for 2025.

(g) Premiums

Premiums are recognized in the period when the insurance coverage is provided. Premiums are due monthly from the employers or participants based on the rates adopted by EGID.

(h) Medicare Part D Subsidies

As a Medicare Part D Prescription Drug Plan (PDP), EGID may receive a monthly payment or be subject to an offset for premium subsidies from Medicare. The effect of these payments or offsets is to subsidize or adjust premiums paid by individuals enrolled in the PDP. Medicare adjusts subsidy amounts annually as part of Medicare's rate setting. EGID received a payment of approximately $6,723,000 for the year ended December 31, 2024 and was subject to an offset of approximately $1,315,000 for 2023. These amounts are included in premium revenue within the statements of revenues, expenses, and changes in net position.

Additionally, Medicare pays EGID a catastrophic reinsurance subsidy as a cost reimbursement for 80% of the claim costs incurred by individuals in excess of the individual annual out-of-pocket maximum. A settlement is made based on actual cost experience subsequent to the end of the year. EGID recorded approximately $42,035,000 and $41,236,000 for the years ended December 31, 2024 and 2023, respectively, and is included as an offset to incurred claims expense within the statements of revenues, expenses, and changes in net position.

(i) Pharmacy Rebate

Effective January 1, 1999, under EGID's agreement with its pharmacy benefit manager, EGID receives a guaranteed rebate for each non-Medicare Part D prescription. Effective January 1, 2006, EGID also receives a specified percentage of manufacturers' rebates received by the pharmacy benefit manager related to Medicare Part D prescriptions. This amount is approximately $236,983,000 and $230,166,000 for the years ended December 31, 2024 and 2023, respectively, and is included as an offset to incurred claims expense within the statements of revenues, expenses, and changes in net position.

(j) Risk Adjustment Premiums

Risk adjustment premiums are received from (or paid to) either the self-funded PPO or any HMO participating under the EGID umbrella based on factors, which are applied to premiums of all non-Medicare members and dependents during the plan year. The factors are intended to offset any adverse selection that may occur as a result of younger, healthier members electing coverage in one plan over another. For the years ending December 31, 2024 and 2023, the self-funded PPO (HealthChoice) plan paid approximately $16,269,000 and $17,954,000, respectively. These amounts are included in other operating revenue within the statements of revenues, expenses, and changes in net position as a net to revenue.

(k) Administrative Expenses

Administrative expenses are primarily related to employees of EGID and professional services, including fees paid to TPAs to process and pay benefits.

EGID does not record deferred acquisition costs since administrative expenses are primarily maintenance expenses and not acquisition expenses. EGID maintains a budget; however, it is not a

legally adopted or legislatively appropriated annual budget since EGID is self-funded through premiums.

(l) Income Taxes

EGID obtained its latest determination letter dated March 30, 2005, in which the Internal Revenue Service stated that income from the exercise of the essential governmental functions of EGID is exempt from federal income taxes under Section 115 of the Internal Revenue Code (the Code).

(m) Operating Revenue and Expenses

Balances classified as operating revenue and expenses are those which comprise the EGID's principal ongoing operations. Since EGID's operations are similar to those of any other insurance company, revenues and expenses generated from insurance activities are considered operating.

(n) Pension

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Oklahoma Public Employees Retirement Plan (the Plan), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

(o) Other Postemployment Benefits (OPEB)

EGID participates in two separate OPEB plans. For purposes of measuring the OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans.

3. FAIR VALUE MEASUREMENTS

EGID applies GASB Statement No. 72, Fair Value Measurement and Application, which provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

In accordance with guidance on fair value measurements and disclosures, EGID groups its financial assets and liabilities measured at fair value in three levels, based on inputs and assumptions used to determine the fair value. An asset's or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The levels are as follows:

- Level 1 inputs are quoted prices in active markets for identical securities.
- Level 2 inputs are other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
- Level 3 inputs are significant unobservable inputs (including the EGID's own assumptions used to determine the fair value of investments).

A summary of EGID's financial instruments and the fair value estimates, methods, and assumptions is set forth below:

	2024				
	Level 1	Level 2	Level 3	NAV	Total
Financial assets:					
Money market fund*	$ -	$ -	$ -	$ 76,233,986	$ 76,233,986
Debt securities	-	-	-	-	-
Debt securities—mutual fund	-	-	-	68,084,845	68,084,845
Equities	43,789,601	-	-	-	43,789,601
Equities—Commingled fund	-	-	-	117,402,136	117,402,136
Total	$ 43,789,601	$ -	$ -	$ 261,720,967	$ 305,510,568

	2023				
	Level 1	Level 2	Level 3	NAV	Total
Financial assets:					
Money market fund*	$ -	$ -	$ -	$106,375,312	$106,375,312
Debt securities	-	49,319,767	-	-	49,319,767
Debt securities—mutual fund	-	-		41,566,530	41,566,530
Equities	37,706,393	-	-	-	37,706,393
Equities—Commingled fund	-	-	-	89,738,085	89,738,085
Total	$37,706,393	$49,319,767	$ -	$237,679,927	$324,706,087

* The Money Market Fund is included within the cash and cash equivalents line on the statements of net position. See footnote 4 below for additional details.

The carrying amounts reported in the statement of net position are at fair value for investment securities. Fair values for debt securities are based on quoted market prices, where available. If quoted prices are not available from active exchanges for identical instruments, the fair values are estimated using quoted prices from less active markets, quoted prices of securities with similar characteristics, or by pricing models utilizing other significant observable inputs. The debt securities fair values are considered Level 2, except for the debt securities—mutual fund, which has a daily NAV and thus is not leveled. The fair values for equities securities are based on quoted market prices and are considered Level 1, with the exception of the equities - commingled fund, which is also reported at net asset value and is not leveled.

EGID currently utilizes a money market fund to hold cash for daily operations and executes daily transactions for purchases or redemptions with the fund. This fund pools monies from institutional investors to purchase short-term Treasury bonds and repurchase agreements that meet certain standards set forth by the SEC for credit quality, liquidity, and diversification. The risk ratings for this fund are AAAm by Standard and Poor's and Aaa-mf by Moody's. The net asset value for the money market fund is valued at a stable unit price of $1.00. Money market funds are regulated by the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940.

The equities—commingled fund is valued using the net asset value as provided by the issuer which is based on the fair value of the underlying investments held by the fund less its liabilities. This fund

invests in domestic equities represented by the Standard & Poor's 500 Index and can be redeemed daily. EGID has no outstanding commitment to the equities - commingled fund.

The debt securities—mutual fund consists of securities in U.S. government, other public sector entities, asset backed and mortgage-backed obligations of U.S. and foreign issuers and corporate debt of U.S. and foreign issuers. This fund is also valued using the net asset value and is determined by adding the value of the fund's investments, cash, and other assets attributable to the particular share class, subtracting any liabilities and then dividing the result by the total numbers of shares outstanding in the class. The fund's portfolio investments are generally valued using pricing information provided by a primary independent pricing service. If pricing information is not readily available from the primary pricing service, pricing information from an approved secondary independent pricing service or another source set forth in the fund's pricing procedures may be used. EGID has no outstanding commitments to the debt securities - mutual fund.

4. CASH AND CASH EQUIVALENTS

Cash includes amounts on deposit with the Office of State Treasurer (State Treasurer) in a pooled account, which is required by the Oklahoma Statutes to be insured or collateralized. The amount of collateral securities required to be pledged to secure public deposits is established by rules and regulations promulgated by the State Treasurer. In accordance with the State Treasurer's policies, the market value of collateral securities to be pledged by financial institutions through the State Treasurer's Office must be 110% of the carrying value of the amount on deposit, less any federal insurance coverage.

At December 31, 2024 and 2023, cash totaling approximately $27,748,000 and $27,503,000, respectively, was deposited with and collateralized by the official bond of the State Treasurer of Oklahoma.

The carrying amount of the cash equivalents totaled approximately $76,234,000 and $106,375,000 at December 31, 2024 and 2023, respectively, and consists of an investment in a money market fund composed of short-term investments with an original maturity date of three months or less, which are readily convertible into cash. The current duration of the underlying investments in the money market fund is approximately 50 days.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, EGID's deposits may not be returned or EGID may not be able to recover collateral securities in the possession of an outside party. EGID's cash and cash equivalents include deposits that are insured, registered, or for which the securities are held by a custodian in EGID's name.

5. INVESTMENTS

EGID's investment policy is predicated on a multiple manager structure to provide the benefits of more than one manager's special skills and a diversity of investment styles. Upon recommendation of the OEIBB, external managers are appointed to assume the investment management function. The managers, within guidelines determined by EGID's Board, have full discretion to buy and sell investment assets of EGID. Authorized investments are defined in Title 36 of the Oklahoma Statutes, as amended, and EGID's investment policy, and include U.S. government obligations, state and district obligations, corporate obligations, mortgage-backed and assets-backed debt securities, and preferred

and common stock. All investments held by EGID are in compliance with statutes and the investment policy.

As of December 31, 2024 and 2023, EGID had the following investments:

Types of Investments	2024 Fair Values	2024 Duration [1]	2023 Fair Values	2023 Duration [1]
Debt securities:				
Asset-backed securities[2]	$		$ 2,219,131	2.48
Corporate			17,585,400	4.96
Commingled fund	68,084,845	5.05	41,566,530	3.77
Mortgages			17,385,245	5.27
Collateralized mortgage obligations[2]			262,568	6.87
U.S. Treasuries			10,962,069	11.20
Municipals			56,954	7.96
Collateralized mortgage-backed securities (CMBS)[2]			848,400	2.64
Total debt securities	68,084,845		90,886,297	
Equities—international	29,410,774			
Equities—domestic	131,780,963		127,444,478	
Total Equities	161,191,737		127,444,478	

[1] Interest rate risk is estimated using effective duration (in years).

[2] These include investments highly sensitive to interest rate changes.

(a) Credit Risk

The credit risk profile as listed by Moody's for debt securities at December 31, 2024 and 2023 is as follows:

	2024					
	AAA	AA/A	BAA/BA	CCC	Not Rated	Total
Debt securities:						
Asset-backed securities	$	$	$	$	$	$
Corporate						
Commingled fund					68,084,845	68,084,845
Mortgages						
Collateralized mortgage obligations						
U.S. Treasuries						
Municipals						
CMBS						
Total debt securities	$	$	$	$	$ 68,084,845	$ 68,084,845

	2023					
	AAA	AA/A	BAA/BA	CCC	Not Rated	Total
Debt securities:						
Asset-backed securities	$ 1,155,621	$ 473,173	$ 590,337	$ -	$ -	$ 2,219,131
Corporate	-	3,168,193	14,352,635	64,572	-	17,585,400
Commingled fund					41,566,530	41,566,530
Mortgages	17,354,971	-	30,274	-	-	17,385,245
Collateralized mortgage obligations	262,568	-	-	-	-	262,568
U.S. Treasuries	10,962,069	-	-	-	-	10,962,069
Municipals	-	25,351	31,603	-	-	56,954
CMBS	840,094	8,306	-	-	-	848,400
Total debt securities	$30,575,323	$3,675,023	$15,004,849	$64,572	$41,566,530	$90,886,297

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. The Board's investment policy authorizes EGID to invest in obligations of the U.S. Treasury, agencies and instrumentalities, bankers' acceptances rated AA or better, commercial paper rated A-1 or P-1 and A-2 or P-2, fixed income investments rated investment grade and stocks of companies with a minimum capitalization of $50,000,000, and other investments of similar risk.

Investments in "restricted securities," including fixed income securities, preferred stock, common stock, or any common stock acquired upon conversion thereof are prohibited. "Restricted securities" are securities, which have not been registered under the Securities Act of 1933 and are subject to restrictions on sale. Engagements in short sales, purchases on margin, or investments in commodities or transactions of a similar or speculative nature are prohibited. EGID is in compliance with its investment policy for the years ended December 31, 2024 and 2023.

(b) Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, EGID will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The current master custodian has been approved by EGID's Board. EGID's investments include investments that are insured or registered or for which the securities are held by a custodian in EGID's name. They may also include investments held for the custodian by the Federal Reserve Bank or Depository Trust Corporation in EGID's name.

(c) Concentration of Credit Risk

An increased risk of loss occurs as more investments are acquired from one issuer. EGID's policy states investments in one issuer shall not exceed 2.5% of the fair value of each manager's assets, except for obligations of the U.S. government or of any state of the U.S. The policy also restricts investments in the common stock of any U.S. corporation to no more than 5% of each manager's assets valued at the lower of cost or market value, except where the manager's benchmark holds more than 5% in a single issue or with prior consent of EGID's Board.

(d) Interest Rate Risk

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. Fixed income investments held for longer periods are subject to increased risk of adverse interest rate changes.

(e) Investment Income

Net investment income for the years ended December 31, 2024 and 2023 comprises the following:

	2024	2023
Fixed income securities	$ 5,652,487	$ 7,241,076
Equity securities	2,582,229	436,676
Realized gains	12,601,362	17,694,575
Unrealized gains	8,424,541	12,310,611
Other investment (loss)	1,084	(207)
Less investment expenses	(496,997)	(524,224)
Net investment income	$ 28,764,706	$ 37,158,507

6. OFFICE EQUIPMENT

The changes in office equipment for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Office equipment, at cost:		
Balance—beginning of year	$ 289,836	$ 275,282
Additions		19,549
Retirements	(215,601)	(4,995)
Balance—end of year	74,235	289,836
Accumulated depreciation:		
Balance—beginning of year	129,300	77,184
Depreciation expense	54,258	56,529
Retirements	(129,368)	(4,413)
Balance—end of year	54,190	129,300
Office equipment—net	$ 20,045	$ 160,536

7. HEALTH AND DENTAL AND LIFE RESERVES

The following represents changes in the Health and Dental and Life Reserves during the year ended December 31, 2024 (in thousands):

	Health and Dental	Life	Total
Reserves—beginning of year	$ 124,013	$ 20,604	$ 144,617
Incurred claims expense provisions for insured events of the current year	1,137,214	36,189	1,173,403
Changes in provisions for insured events of prior years	12,993	2,252	15,245
Total incurred	1,150,207	38,441	1,188,648
Less payments:			
Claims expense insured events of the current year	1,029,408	28,259	1,057,667
Claims expense insured events of prior years	119,181	7,681	126,862
Total paid	1,148,589	35,940	1,184,529
Reserves—end of year	$ 125,631	$ 23,105	$ 148,736

As a result of changes in estimates of insured events in prior years, the provision for claims increased by approximately $15,245 in the year ended December 31, 2024.

The following represents changes in the Health and Dental and Life Reserves during the year ended December 31, 2023 (in thousands):

	Health and Dental	Life	Total
Reserves—beginning of year	$ 105,364	$ 20,725	$ 126,089
Incurred claims expense provisions for insured events of the current year	1,058,391	33,891	1,092,282
Changes in provisions for insured events of prior years	(97)	3,132	3,035
Total incurred	1,058,294	37,023	1,095,317
Less payments:			
Claims expense insured events of the current year	951,950	29,472	981,422
Claims expense insured events of prior years	87,695	7,672	95,367
Total paid	1,039,645	37,144	1,076,789
Reserves—end of year	$ 124,013	$ 20,604	$ 144,617

As a result of changes in estimates of insured events in prior years, the provision for claims decreased by approximately $3,035 in the year ended December 31, 2023.

Health and Dental Reserving Methodology

Completion Factor Approach: This method assumes that the historical claim patterns will be an accurate representation of unpaid claim liabilities. An estimate of the unpaid claims is calculated by subtracting period-to-date paid claims from an estimate of the ultimate “complete” payment for all incurred claims in the period. Completion factors are calculated which “complete” the current period-to-date payment totals for each incurred month to estimate the ultimate expected payout.

There is no expected development on reported claims in the health and dental coverage. Claim frequency is determined by totaling the number of unique claim numbers during the period as each unique claim number represents a claim event for an individual claimant.

Life Reserving Methodology

Life claim reserves are projected based on actual paid claims through March 2024 and pending life claims as of March 31, 2024 plus a margin for adverse deviation. Life has substantially all claims settled and paid in less than one year.

8. DISABILITY RESERVES

The following represents changes in the disability reserves during the years ended December 31, 2024 and 2023 (in thousands):

	2024	2023
Reserves—beginning of year	$ 6,688	$ 6,141
Incurred claims:		
Provisions for insured events of the current year	3,225	3,254
Changes in provisions for insured events of prior years	(80)	(157)
Total incurred	3,145	3,097
Payments:		
Claims attributable to insured events of the current year	478	601
Claims attributable to insured events of prior years	1,726	1,949
Total paid	2,204	2,550
Reserves—end of year	$ 7,629	$ 6,688

EGID estimates current and noncurrent reserves for disability reserves based on historical claim experience.

As a result of changes in estimates of insured events in prior years, the provision for disability reserves decreased by approximately $80,000 and $157,000 in the years ended December 31, 2024 and 2023, respectively, due primarily to favorable claims development.

The following is a brief description of the significant assumptions used for disability reserves:

- Actual claim experience for the group, based upon claim lag studies, was used for males and females for short-term disability.
- The 2012 Group Long-term Disability Valuation Table was used.
- The discount rate was 3.50% for the years ended December 31, 2024 and 2023.

9. PREMIUM DEFICIENCY RESERVE

A premium deficiency reserve is recorded at the end of the year when the anticipated costs of settling claims plus policy maintenance costs for the following year are in excess of the anticipated premium receipts and investment income for the following year. Anticipated premium receipts are projected based on the premium rates adopted by EGID for the following plan year and current enrollment levels. Incurred claims for subsequent years are projected based on current year incurred claims, increased for anticipated inflation rates and benefit design changes. EGID does not have the intention to change the adopted premium rates after the fiscal year has begun. At December 31, 2024, a premium deficiency liability of approximately $25.0 million was recorded for the health and dental plans. No premium deficiency was needed for the life plan and the disability plan recorded a premium deficiency liability $614,000. At December 31, 2023, a premium deficiency liability of approximately $15.6 million was

recorded for the health and dental plans. No premium deficiency was needed for the life plan or disability plan.

10. GENERAL INFORMATION ABOUT THE PENSION PLAN

(a) Plan Description

EGID contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing multiple-employer public employee retirement system administered by the Oklahoma Public Employees Retirement System (OPERS). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 74 of the Oklahoma Statutes, Sections 901-943, as amended, assigns the authority for management and operation of the Plan to the Board of Trustees of OPERS. OPERS issues a publicly available annual financial report that includes basic financial statements and required supplementary information for the Plan. That annual report may be obtained by writing to OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73152 or at www.opers.ok.gov/.

(b) Benefits Provided

Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member after June 30, 1992, when the member's age and years of credited service equals or exceeds 90 (Rule of 90).

Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have six or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employer and active wartime military service.

A member with a minimum of ten years of participating service may elect early retirement with reduced benefits beginning at age 55 if the participant became a member prior to November 1, 2011, or age 60 if the participant became a member on or after November 1, 2011.

Disability retirement benefits are available for members having eight years of credited service whose disability status has been certified as being within one year of the last day on the job by the Social Security Administration. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction.

(c) Contributions

Plan members and EGID are required to contribute at a rate set by statute. The contribution requirements of plan members and EGID are established and may be amended by the legislature of the State of Oklahoma. The contribution rate for EGID and plan members is as follows:

	Employee Rate	Employer Rate
January 1, 2024–December 31, 2024	3.50 %	16.50 %
January 1, 2023–December 31, 2023	3.50	16.50
January 1, 2022–December 31, 2022	3.50	16.50
January 1, 2021–December 31, 2021	3.50	16.50

EGID's contributions to the Retirement Plan for the years ended December 31, 2024 and 2023 were approximately $571,000 and $646,000, respectively, and were equal to EGID's required contributions for the year.

(d) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, EGID reported an asset of approximately $652,000 compared to the liability reported as of December 31, 2023 of $975,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and 2023, and the total pension liability used to calculate the net pension liability was based on the employer contributing entity's percentage of the total employer contributions for the years ended June 30, 2024 and 2023. At June 30, 2024 and 2023, EGID's proportion was approximately 0.209% and 0.213%, respectively.

For the years ended December 31, 2024 and 2023, EGID incurred additional expenses of $284,000 and $584,000, respectively, to account for pension activity. At December 31, 2024, EGID reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 68,910	$
Changes of assumptions	27,576	
Net difference between projected and actual investment earnings on pension plan investments		383,315
EGID contributions subsequent to the measurement date	274,833	
	$ 371,319	$ 383,315

At December 31, 2023, EGID reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 26,740	$14,766
Changes of assumptions	205,904	-
Net difference between projected and actual investment earnings on pension plan investments	810,217	-
EGID contributions subsequent to the measurement date	317,795	-
	$1,360,656	$14,766

Deferred outflows of resources related to pensions resulting from EGID contributions subsequent to the measurement date of $274,833 will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Employees Group Insurance Division
2025	$ (158,932)
2026	559,866
2027	(429,000)
2028	(258,763)
Total	$ (286,829)

(e) Actuarial Assumptions

The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary increases	3.25% to 9.25%, including inflation
Investment rate of return	6.5% net of investment expense, including price inflation

Mortality rates—Are based on Pub-2010 Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected generationally using Scale MP-2019. Male rates are unadjusted, and female rate are set forward two years.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of the most recent actuarial experience study, which covered the three-year period ended June 30, 2022. The experience study report is dated April 12, 2023.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap equity	34.0 %	5.1 %
U.S. small cap equity	6.0	5.0
Global Equity ex-US	28.0	8.2
Core Fixed Income	25.0	1.9
Long Term Treasuries	3.5	2.1
US TIPS	3.5	1.8
Total	100.0 %	

(f) Discount Rate

The discount rate used to measure the total pension liability at June 30, 2024 and June 30, 2023 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers will be made at the current contribution rate as set out in state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determined does not use a municipal bond rate.

(g) Sensitivity of EGID's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents EGID's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.50% for both 2024 and 2023, as well as what EGID's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the discount rate:

	2024		
	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
EGID's proportionate share of the net pension liability (asset)	$ 1,946,637	$ (651,607)	$ (2,835,483)

	2023		
	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
EGID's proportionate share of the net pension liability (asset)	$3,764,799	$974,676	$(1,371,327)

(h) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued OPERS financial report.

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(a) General Description of the Other Postemployment Benefits

EGID provides retirees with two other postemployment benefits upon retirement as discussed below:

The *Employees Group Insurance Division (EGID)*, as a multi-line insurance provider, allows for retirees that are not yet eligible for Medicare benefits to participate in the insurance plans available to active employees. Current and retired employees participate in the same plans with blended premium rates creating an implicit rate subsidy for the retirees in the plan. This plan is not administered through a trust, and as a result, there are no assets to net against the total liability. The plan functions as a cost-sharing multi-employer plan.

As mandated by statute, *Oklahoma Public Employees Retirement System (OPERS)* provides an OPEB benefit to retirees should a retiree make such an election at retirement to continue health coverage through the state's provider, EGID. This benefit is for a fixed amount of $105 and the contribution is included in the employer pension contribution. This plan is a cost-sharing multi-employer plan. The information for obtaining the separately issued independent audit report, a summary of significant accounting policies of the pension plan and the statutory authority under which OPEB benefits are required to be paid are discussed in Note 10(a).

(b) Employees Covered

The following employees were covered by the benefit terms:

	Plans Outside of Trusts as of July 1, 2023	OPEB Trust Funds as of July 1, 2024
	Employees Group Insurance Division	Public Employees Retirement System
Active employees	31,223	27,890
Terminated, vested, inactive participants	2,057	19,674
Total	33,280	47,564

(c) OPEB Liability/Asset

At December 31, 2024, EGID reported a liability of approximately $523,000 (a proportionate share of 0.262%) for the EGID plan. For the OPERS plan, an asset of approximately $226,000 (a proportionate share of 0.131%) is reported. These amounts reflect EGID's proportionate share of the liability (asset) of the total plans.

The total OPEB liability in the actuarial valuations was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement unless otherwise specified. The plan valuation dates are as of June 30, 2024 and July 1, 2024 for EGID and OPERS, respectively.

	Employees Group Insurance Division	Public Employees Retirement System
Inflation	0%	2.50 %
Salary increases	3.25% to 9.25%	3.5% to 9.25%
Discount rate	3.65%	6.50 %
Healthcare cost trend	7.80% decreasing to 4.45%	NA
Retiree's share of benefit-related costs	0%	0%

(d) Discount Rates

***Employees Group Insurance Division*:** The discount rate was determined using the Bond Buyer GO 20-Bond Municipal Bond Index.

***Oklahoma Public Employees Retirement System*:** The discount rate is determined by the expected rate of return on assets as referenced in Note 10(f).

(e) Mortality Rates

***Employees Group Insurance Division*:** Mortality rates were based on Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2021 as of July 1, 2023.

***Oklahoma Public Employees Retirement System*:** OPERS uses Pub-2010 Below Mean, General Membership Active/Retiree Healthy Mortality Table with base rates projected generationally using Scale MP-2019. Male rates are unadjusted, and female rates are set forward two years.

(f) Actuarial Assumptions

***Employees Group Insurance Division*:** The EGID implicit rate subsidy valuation report dated June 30, 2024, is based on a measurement date of July 1, 2023, with a measurement period of July 1, 2022, to July 1, 2023.

***Oklahoma Public* Employees *Retirement System*:** The actuarial assumptions used in the July 1, 2024, valuation report measured on the same date by OPERS are based on the results of the most recent actuarial experience study, which covers the three-year period ending June 30, 2022. The experience study report is dated April 12, 2023.

(g) Changes in Assumptions and Other Inputs

***Employees Group Insurance Division*:** The discount rate to calculate liabilities was changed from 3.54% as of July 1, 2023 to 3.65% as of July 1, 2024. These discount rates use the Bond Buyer GO 20-Bond Municipal Bond Index as of those applicable dates.

The mortality assumption used to calculate liabilities was changed from Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2020 as of July 1, 2021 to the Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2021 as of July 1, 2023.

***Oklahoma Public Employees Retirement System*:** Investment return steady at 6.50% for 2024 and 2023; price inflation and payroll growth also remained steady at 2.50% and 3.25%, respectively; mortality assumption was changed to reflect recent mortality experience and the Municipal Bond Index Rate increased to 3.9% for 2024 from 3.66% for 2023.

(h) Sensitivity of EGID's Proportionate Share of the OPEB Liability (Asset) to Changes in the Discount Rate

The following presents EGID's proportionate share of the OPEB liability, as well as what the projected OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

Employees Group Insurance Division

	2024		
	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 561,945	$ 522,524	$ 485,543

Oklahoma Public Employees Retirement System

	2024		
	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability (asset)	$ (182,256)	$ (225,815)	$ (262,852)

Employees Group Insurance Division

	2023		
	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	$371,868	$347,802	$325,252

Oklahoma Public Employees Retirement System

	2023		
	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability (asset)	$(120,132)	$(163,786)	$(200,908)

(i) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents EGID's proportionate share of the net OPEB liability at June 30, 2024, calculated using the healthcare trend rate, as well as what the trend rate increasing or decreasing by 1-percentage-point. Of the OPEB plans, only the EGID implicit rate subsidy is affected by the healthcare trend rate.

Employees Group Insurance Division

	2024		
	1% Decrease (6.8%)	TrendRate (7.80%)	1% Increase (8.80%)
Total OPEB liability	$ 470,488	$ 522,524	$ 583,557

Employees Group Insurance Division

	2023		
	1% Decrease (5.10%)	TrendRate (6.10%)	1% Increase (7.10%)
Total OPEB liability	$313,869	$347,802	$387,568

(j) OPEB Expense and Deferred Outflows and Deferred Inflows of resources Related to OPEB

For the year ended December 31, 2024, EGID recognized an OPEB expense of $24,755 for the EGID plan and a net to expense of $23,093 for the OPERS plan. The following table illustrates the deferred inflows and outflows as of December 31, 2024, based on the requirements of Governmental Accounting Standards Board Statement 75:

	2024		
	Employees Group Insurance Division	Public Employees Retirement System	Total
Deferred outflows:			
Changes of assumptions or other inputs	$ 185,096	$ 6,464	$ 191,560
Differences between projected and actual investment earnings		14,130	14,130
Subsequent contributions	7,612	10,845	18,457
Total deferred outflows	$ 192,708	$ 31,439	$ 224,147
Deferred inflows:			
Changes of assumptions or other inputs	$ 22,555	$	$ 22,555
Differences between expected and actual experience	10,333	58,108	68,441
Total deferred inflows	$ 32,888	$ 58,108	$ 90,996

	2023		
	Employees Group Insurance Division	Public Employees Retirement System	Total
Deferred outflows:			
Changes of assumptions or other inputs	$17,753	$10,587	$28,340
Differences between projected and actual investment earnings	-	30,637	30,637
Subsequent contributions	11,154	10,845	21,999
Total deferred outflows	$28,907	$52,069	$80,976
Deferred inflows:			
Changes of assumptions or other inputs	$33,459	$ -	$33,459
Differences between expected and actual experience	1,877	58,653	60,530
Total deferred inflows	$35,336	$58,653	$93,989

Amounts reported as deferred outflows of resources and deferred inflows of resources are amortized in OPEB expense as follows:

	Employees Group Insurance Division	Public Employees Retirement System
Year ended June 30:		
2025	28,201	(14,060)
2026	28,201	2,419
2027	27,170	(14,672)
2028	23,923	(8,785)
2029	25,646	(2,416)
Total thereafter	19,067	
Total	$ 152,208	$ (37,514)

12. DEFERRED COMPENSATION PLAN

The State offers to its own employees, state agency employees, and other duly constituted authority or instrumentality employees a deferred compensation plan created in accordance with the Code Section 457 and Chapter 45 of Title 74, Oklahoma Statutes. The Oklahoma State Employees Deferred Compensation Plan (SoonerSave) is a voluntary plan that allows participants to defer a portion of their salary into SoonerSave. Participation allows a person to shelter the portion of their salary that they defer from current federal and state income tax. Taxes on the interest or investment gains on this money, while in SoonerSave, are also deferred. The deferred compensation is not available to employees until termination, retirement, death, or approved unforeseeable emergency.

Under SoonerSave, the untaxed deferred amounts are invested as directed by the participant among various investment options. Effective January 1, 1998, a Trust and Trust Fund covering SoonerSave assets was established pursuant to federal legislation enacted in 1996, requiring public employers to establish such trusts for plans meeting the requirements of Section 457 of the Code. Under terms of the

Trust, the corpus or income of the Trust Fund may be used only for the exclusive benefit of SoonerSave participants and their beneficiaries. Further information may be obtained from the Oklahoma State Employees Deferred Compensation Plan audited financial statements for the year ended June 30, 2025. EGID believes it has no liabilities with respect to SoonerSave.

13. RISKS AND UNCERTAINTIES

EGID invests in various investment securities. As described in note 5, investment securities are exposed to various risks such as interest rate, market, and credit risks. It is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net position.

As described in note 2, the estimates of reserves are determined based on actuarial and statistical techniques, which consider the effects of general economic conditions, such as inflation, and other factors of past experience, such as changes in participant counts, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the basic financial statements.

14. COMMITMENTS AND CONTINGENCIES

EGID's legal counsel has determined that the statute of limitations for claims denied or paid improperly is three years. Typically, all claims are reported within a 24-month period. Currently, EGID is not aware of any material claims that were denied or paid improperly that should be reserved for in the basic financial statements. To the extent such claims exist, EGID may be responsible for payment.

During 2003, the Oklahoma Legislature created the Medical Expense Liability Revolving Fund (the Fund), which enacted a fee to cover inmate medical costs. By law, EGID is the administrator of the Fund. Any person convicted of certain offenses is required to pay a fee of $10, which goes into the Fund. The moneys from the Fund are used when an inmate's medical costs exceed $6,000 up to a maximum of $100,000. As of December 31, 2024 and 2023, the Fund has assets and liabilities of approximately $3,964,000 and $3,608,000, respectively, which are included in cash and other accrued liabilities in the statements of net position.

In the normal course of operations, there are various legal actions and proceedings pending against EGID. In management's opinion, the ultimate liability, if any, resulting from these legal actions is not expected to have a material adverse effect on EGID's financial position, results of operations, or liquidity.

15. SUBSEQUENT EVENTS

On August 18, 2025, the Oklahoma Attorney General's Office (AG) reached a settlement agreement with EGID's Pharmacy Benefit Manager (PBM), CVS Caremark (CVS), to pay the State of Oklahoma $32,122,222 for unremitted pharmacy rebates for the period covering January 2020 through December 2024. The AG retained and paid outside council to assist in reaching this agreement. EGID subsequently received $27,016,111 from this settlement. EGID will also receive any future rebates associated with this agreement.

EGID was made aware of this litigation in September 2024. However, as noted above, a settlement was not reached until August 2025. EGID recognized $27,016,111 as a legal settlement in August 2025 and retroactively applied it to the 2024 financial statements within other assets on the Balance Sheet and

other operating income on the Statement of Revenues, Expenses and Changes in Fund Equity. Because the $32 million was sent directly to the AG's office, who subsequently transferred the net proceeds of $27 million to EGID, EGID is only recognizing the $27 million. Since the rebate was not received during the normal course of business and was considered a legal settlement, it was not treated in the typical manner as an offset to incurred pharmacy claims.

EGID received an additional payment on November 17th, 2025 for $8,325,454 and has recognized a receivable of $946,283 for outstanding rebates related to this settlement. EGID also recorded these amounts retroactively in the 2024 financial statements recognizing a total of $36,287,848 as legal settlement revenue. No additional fees were or will be due to outside council for subsequent payments.

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REQUIRED SUPPLEMENTARY INFORMATION

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF THE OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN
LAST 10 JUNE 30 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EGID's proportion of the net pension liability	0.20860 %	0.21303 %	0.24034 %	0.27342 %	0.31525 %	0.32367 %	0.33383 %	0.35235 %	0.34647 %	0.37598 %
EGID's proportionate share of the net pension liability (asset)	$ (651,607)	$ 974,676	$2,020,198	$(3,669,688)	$2,812,537	$ 431,088	$ 651,102	$1,905,049	$3,437,815	$1,352,338
EGID's covered payroll	3,864,752	3,946,855	4,256,388	4,553,275	5,239,847	5,182,203	5,636,532	5,744,376	6,224,406	6,646,436
EGID's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(17)%	25 %	47.46 %	(80.59)%	53.68 %	8.31 %	11.55 %	33.16 %	55.23 %	20.35 %
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.91 %	95.91 %	92 %	100.01	99.26	98.63	97.96	94.28	89.48	96.00

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS OF THE
OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN
LAST 10 DECEMBER 31 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 552,405	$ 624,679	$ 679,128	$ 671,954	$ 836,044	$ 813,780	$ 819,732	$ 947,822	$1,027,027	$1,096,662
Contributions in relation to the contractually required contribution	(552,405)	(624,679)	(679,128)	(671,954)	(836,044)	(813,780)	(819,732)	(947,822)	(1,027,027)	(1,096,662)
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EGID's covered payroll	$ 3,864,752	$3,946,855	$4,256,388	$4,211,428	$5,239,847	$5,100,309	$5,137,612	$5,744,376	$6,224,406	$6,646,436
Contributions as a percentage of covered payroll	14.29 %	15.83 %	15.96 %	15.96 %	15.96 %	15.96 %	18.45 %	16.50 %	16.50 %	16.50 %

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

1. CHANGES OF BENEFIT TERMS

The Plan has been amended by House Bill 2630 in 2014, which states that effective November 1, 2015, OPERS shall create a defined contribution plan for most people first employed by a participating employer. Exemptions from the new defined contribution plan include hazardous duty members and district attorneys, assistant district attorneys, and employees of the district attorney's office. Each employer shall send to OPERS the difference between the required employer contribution to OPERS and the amount required to match the participating employee's contributions in the defined contribution plan.

Senate Bill 2120, also enacted in 2014, amends House Bill 2630 to further exempt from the new defined contribution plan county elected officials and employees of a county, county hospital, city or town, conservation district, circuit engineering district, and any public or private trust in which a county, city, or town participates. Senate Bill 2120 also states that employees who participate in the defined contribution system are excluded from the $105 healthcare subsidy.

New employees specifically exempted from the defined contribution plan will participate in the existing defined benefit plan.

2. CHANGES OF ASSUMPTIONS

For the 7/1/2023 valuation the following changes were made:

- Change mortality assumption to reflect recent mortality experience.
- Retirement rates were revised.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY FOR THE EGID PLAN
LAST 10 JUNE 30 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018
EGID's proportion of the OPEB liability	0.26154 %	0.27370 %	0.31363 %	0.34175 %	0.36664 %	0.35113 %	0.33201 %
EGID's proportionate share of the OPEB liability	$ 522,524	$ 347,802	$ 441,398	$ 485,605	$ 484,694	$ 513,362	$ 493,016
EGID's covered-employee payroll	6,191,152	4,754,608	6,208,328	6,585,434	6,665,067	5,182,203	5,636,532
EGID's proportionate share of the total OPEB liability as a percentage of its covered-employee payroll	8.44 %	7.32 %	7.11 %	7.37 %	7.27 %	9.91 %	8.75 %

*This schedule is required to show information for 10 years. However, only fiscal years 2024, 2023, 2022, 2021, 2020, 2019, and 2018 are presented as the information for prior years is not available.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET FOR THE OPERS PLAN
LAST 10 JUNE 30 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018
EGID's proportion of the OPEB asset	0.13116 %	0.12829 %	0.13975 %	0.27342 %	0.31525 %	0.32367 %	0.33383 %
EGID's proportionate share of the OPEB asset	$ 225,815	$ 163,786	$ 130,788	$ 375,899	$ 147,798	$ 125,825	$ 43,200
EGID's covered-employee payroll	3,864,752	3,946,855	4,256,388	4,211,428	5,239,847	5,182,203	5,636,532
EGID's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	5.84 %	4.15 %	3.07 %	8.93 %	2.82 %	2.43 %	0.77 %
Plan fiduciary net position as a percentage of the total OPEB asset	157.20 %	141.38 %	130.01 %	100.11 %	100.03 %	112.11 %	103.94 %

* This schedule is required to show information for 10 years. However, only fiscal years 2024, 2023, 2022, 2021, 2020, 2019, and 2018 are presented as the information for prior years is not available.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR THE OPERS PLAN
LAST 10 DECEMBER 31 FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 21,044	$ 21,491	$ 23,176	$ 22,931	$ 27,589	$ 27,771	$ 27,974
contributions in relation to the contractually required contribution	$ (21,044)	$ (21,491)	$ (23,176)	$ (22,931)	$ (27,589)	$ (27,771)	$ (27,974)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EGID's covered-employee payroll	3,864,752	3,946,855	4,256,388	4,211,428	5,239,847	5,100,309	5,137,612
Contributions as a percentage of covered-employee payroll	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%

* This schedule is required to show information for 10 years. However, only fiscal years 2024, 2023, 2022, 2021, 2020, 2019, and 2018 are presented as the information for prior years is not available.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Oklahoma Health Care Authority)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TEN-YEAR DEVELOPMENT INFORMATION

	Fiscal and Policy Years Ended									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
(1) Earned premiums and Investment revenues	$1,255,305	$1,167,139	$1,056,807	$1,101,299	$1,128,271	$1,125,041	$1,098,161	$1,080,174	$1,024,284	$ 985,321
(2) Administrative expenses	55,226	53,044	53,645	50,114	50,109	49,355	51,121	45,340	48,337	47,667
(3) Estimated incurred claims, both paid and accrued, end of policy year	1,176,627	1,095,536	1,090,673	1,039,952	996,107	1,021,403	1,040,974	1,020,522	1,017,831	1,022,524
(4) Payments as of:										
End of policy year	1,058,146	982,023	979,229	956,932	885,556	916,646	905,574	910,454	894,439	902,693
One year later		1,125,379	1,074,275	1,052,266	993,338	1,018,549	1,027,026	1,006,239	1,006,157	1,018,240
Two years later			1,058,591	1,053,017	994,253	1,017,716	1,027,954	1,009,713	1,008,712	1,021,953
Three years later				1,053,247	994,833	1,017,670	1,024,885	1,010,799	1,009,046	1,022,436
Four years later					994,914	1,018,198	1,025,107	1,011,082	1,009,855	1,022,456
Five years later						1,018,401	1,025,218	1,011,243	1,010,739	1,022,576
Six years later							1,025,402	1,011,295	1,010,869	1,022,811
Seven years later								1,011,315	1,010,891	1,022,937
Eight years later									1,010,930	1,022,980
Nine years later										1,023,021
(5) Reestimated incurred claims										
End of policy year	1,176,627	1,095,536	1,090,673	1,039,952	996,107	1,021,403	1,040,974	1,020,522	1,017,831	1,022,524
One year later		1,125,104	1,074,275	1,052,266	993,338	1,018,549	1,027,026	1,009,302	1,008,556	1,022,400
Two years later			1,055,395	1,053,017	994,253	1,017,716	1,027,954	1,009,713	1,010,061	1,023,409
Three years later				1,052,972	994,833	1,017,670	1,024,885	1,010,799	1,009,046	1,023,582
Four years later					994,639	1,018,198	1,025,107	1,011,082	1,009,855	1,022,456
Five years later						1,018,126	1,025,218	1,011,243	1,010,739	1,022,576
Six years later							1,025,127	1,011,295	1,010,869	1,022,811
Seven years later								1,011,040	1,010,891	1,022,937
Eight years later									1,010,655	1,022,980
Nine years later										1,022,746
(6) Decrease in estimated incurred claims from end of policy year	$ 0	(29,568)	35,278	(13,020)	1,468	3,277	15,847	9,482	7,176	(222)