

Utah Retirement Systems

Public Employees Health Program

A Discrete Component Unit of the State of Utah



2024 Annual Comprehensive Financial Report

For the Year Ended December 31, 2024

PEHP

Health & Benefits



Utah Retirement Systems

Public Employees Health Program

A Discrete Component Unit of the State of Utah

2024 Annual Comprehensive Financial Report

For the Year Ended December 31, 2024



Prepared by: Finance Department

Utah Retirement Systems • Public Employees Health Program

560 East 200 South • Salt Lake City, Utah 84102-2044

www.pehp.org

Daniel D. Andersen, URS Executive Director

R. Chet Loftis, PEHP Managing Director

Robert D. Dolphin, URS Chief Financial Officer

**Public Employees Health Program
2024 Annual Comprehensive Financial Report**

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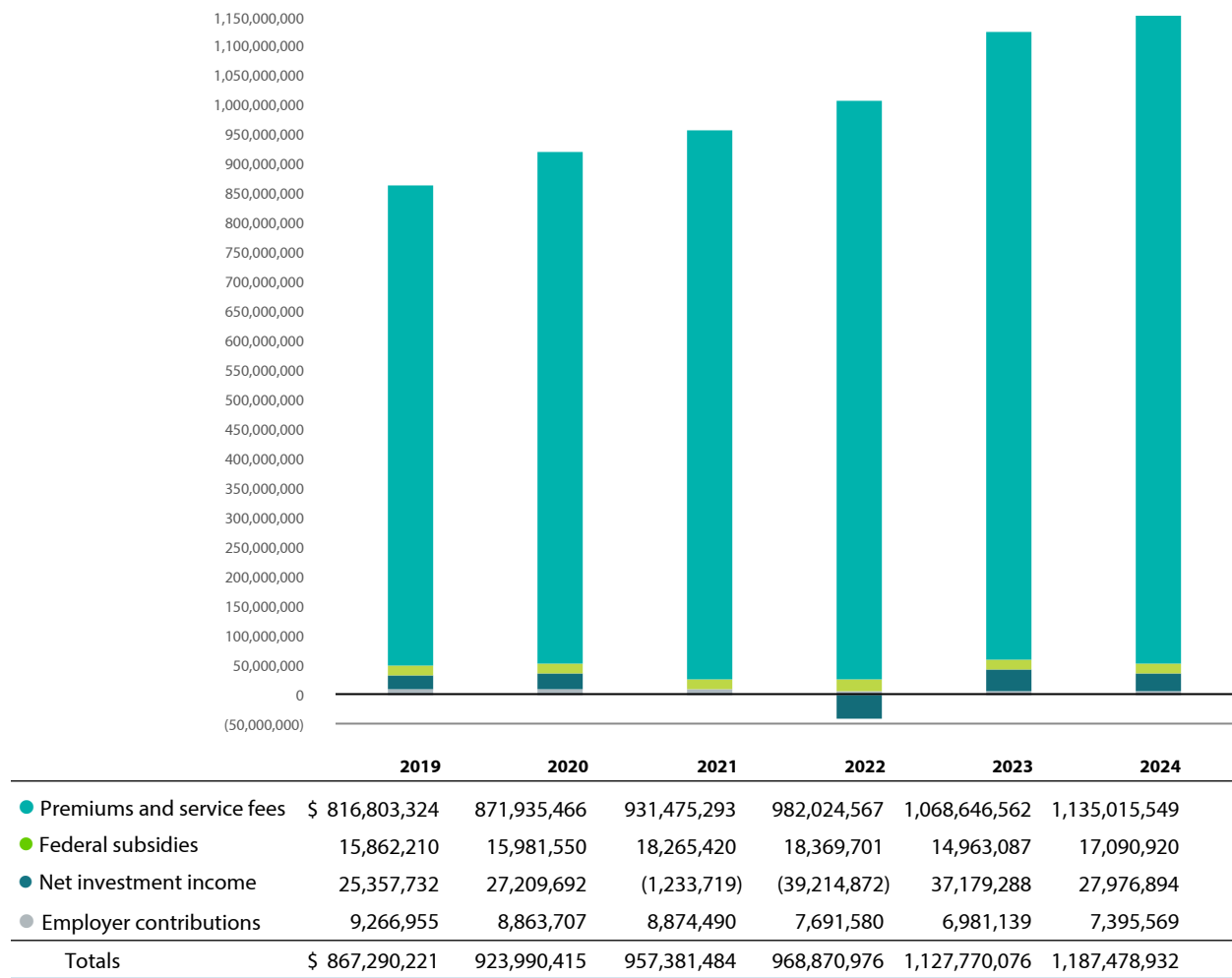
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Public Employees Health Program Additions by Source

At December 31



Public Employees Health Program

Letter of Transmittal

UTAH STATE RETIREMENT BOARD

PUBLIC EMPLOYEES HEALTH PROGRAM

560 East 200 South
Salt Lake City, Utah 84102-2044
801-366-7700
800-365-8772
801-366-7734 FAX

DANIEL D. ANDERSEN
EXECUTIVE DIRECTOR

R. CHET LOFITS
MANAGING DIRECTOR

May 31, 2025

Utah State Retirement Board
560 East 200 South
Salt Lake City, UT 84102-2044

Dear Board Members:

We are pleased to present the 2024 Annual Financial Report of the Public Employees Health Program, also known as PEHP Health & Benefits (PEHP). PEHP is a discrete component unit of the State of Utah, administered by the Utah State Retirement Board (Board) for calendar year 2024.

PEHP administers group medical and other insurance benefits to agencies of the state of Utah, local governments, and other public entities within the state. The financial reporting entity of PEHP includes administration of medical and dental risk pools, reinsurance, long term disability, Medicare Supplement, term life, retiree life, and health reimbursement arrangements (HRA). The program is administered under the Utah State Retirement Board. PEHP medical and dental risk are divided into state and various other employers' risk pools.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of PEHP. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of PEHP.

For financial reporting purposes, PEHP adheres to accounting principles generally accepted in the United States of America. PEHP applies all applicable pronouncements of the Governmental Accounting Standards Board (GASB). Investments of PEHP are presented at fair value and are in accordance with the "prudent investor rule."

PEHP provides a mechanism for covered employers to provide covered individuals with group health, dental, medical, disability, life insurance, Medicare supplement, conversion coverage, cafeteria, flex plan and other programs requested by the state, its political subdivisions, or educational institutions in the most efficient and economical manner. The "Public Employees' Trust Fund" was created for the purpose of paying the benefits and costs of administering the program as indicated in the notes to the basic financial statements on page [32](#).

Letter of Transmittal *(Concluded)*

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) beginning on page [23](#) provides an overview and analysis of PEHP. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Financial Information

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived. This system includes written policies and procedures and an internal audit department that reports to the Board. Discussion and analysis of net position and related additions and deductions are presented in the MD&A beginning on page [23](#).

Actuarial

PEHP is maintained on an actuarially sound basis thus protecting participants' future benefits. Actuarial valuations are performed annually that meet the qualification standards for performing these valuations in accordance with the American Academy of Actuaries and are consistent with internal management strategies. PEHP is maintained on a financially and actuarially sound basis by payments from covered employers and covered individuals. The reserves in a risk pool are maintained at the level recommended by the actuary and approved by the Board.

Independent Audit

An annual audit of PEHP was conducted by the independent accountant Eide Bailly LLP. The auditor's report on the financial statements is included in this report.

Acknowledgments

This report reflects the combined efforts of the staff under the leadership of the Utah State Retirement Board. The report is intended to provide extensive and reliable information for making management decisions, determining compliance with legal provisions, and determining responsible stewardship for the assets contributed by the members and their employers.

We would like to take this opportunity to express our gratitude to the Board, the staff, the advisors, and the many people who have worked so diligently to assure the successful operation and financial soundness of PEHP.

Sincerely yours,



Robert D. Dolphin
Chief Financial Officer



R. Chet Loftis
Managing Director

Public Employees Health Program

Letter from Managing Director

UTAH STATE RETIREMENT BOARD

PUBLIC EMPLOYEES HEALTH PROGRAM

560 East 200 South
Salt Lake City, Utah 84102-2044
801-366-7700
800-365-8772
801-366-7734 FAX

DANIEL D. ANDERSEN
EXECUTIVE DIRECTOR

R. CHET LOFITS
MANAGING DIRECTOR

May 31, 2025

Utah State Retirement Board
560 East 200 South
Salt Lake City, UT 84102-2044

Dear Board Members:

PEHP Health & Benefits is a division of the Utah Retirement Systems that proudly serves Utah's public employees through high quality and competitively priced medical, dental, life, and long-term disability insurance plans. As a government entity, PEHP embraces both a public mission and a commitment to creating customer value, excelling in the market, and improving healthcare.

Over the past year, PEHP has remained financially sound in all respects. Insurance reserves continue to meet or exceed recommended levels for all risk pools and for all product lines, allowing PEHP to return \$7.6 million in excess reserves to various plan sponsors over the past year. Membership also remains strong at 172.2 thousand for the medical plan as of December 31, 2024.

Our primary focus continues to be on serving our members and groups to the very best of our collective ability while implementing a new core IT system. Thus far, 30% of our membership is on the new system with the rest coming in July and September of 2025.

This represents a monumental achievement, particularly for an organization of our size. It has meant operating two systems while fixing, adjusting, and upgrading various aspects of the new system to handle the rest of our business.

With the new system in place, we can pivot toward the future, identify additional opportunities for enhancing customer value, and establish a work environment that is less volatile.

In the end, PEHP is unique in its mission and significant in its impact. So much work has brought us brought us to this point, both as an organization and with the new system. So grateful to so many.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'R. Chet Loftis', with a stylized, flowing script.

R. Chet Loftis
Managing Director

Public Employees Health Program Utah State Retirement Board



Pictured from left to right

Larry W. Evans

Appointed August 21, 2019
Term Expires July 1, 2028
Represents Public Employees

Vice-President

Christie N. Behunin

Appointed August 17, 2022
Term Expires July 1, 2026
Represents Investment Community

Richard K Ellis

Appointed February 13, 2020
Term Expires July 1, 2028
Represents Investment Community

President

Karl W. Wilson

Appointed July 2, 2021
Term Expires July 1, 2025
Represents Investment Community

Aaryn S. Birchell

Appointed July 2, 2024
Term Expires July 1, 2028
Represents Education Employees

Laura C. Warnock

Appointed July 2, 2023
Term Expires July 1, 2027
Represents Investment Community

Marlo M. Oaks

State Treasurer
Member Since June 29, 2021
Ex-officio Member

Utah Retirement Systems Executive Director



Daniel D. Andersen

PEHP Managing Director



R. Chet Loftis

Public Employees Health Program Organization Chart





Administrative Staff

Daniel D. Andersen
Executive Director

Marc Lawson, CIA
Director, Internal Audit

Steve Berg
Director of Information Technology

Jayne R. Knecht, MSHR, PHR, SHRM-CP, HRPM
Human Resources and Administrative Support Director

R. Chet Loftis
PEHP Managing Director

Robert D. Dolphin, CPA
Chief Financial Officer

Dee S. Larsen, J.D.
General Counsel

David Hansen, J.D.
PEHP Chief Legal Counsel

Joel Sheppard
Marketing Director

Tanisha Rapp
Care Management Director

Mark Brown, FSA, MAAA
Chief Operating Officer

Angie Benson
Member Claims Director

Josie Hall
Member Services Director

Kate Walter
Pharmacy Director

Todd Sprouse
Director of Provider Contracting and Strategy

Quinten Christensen, ASA, MAAA
Chief Actuary and Director of Data Analytics

Lance Toms, PMP
Operations Management Director

Ramsey Major
Administrative Systems Director

Professional Service Providers

ACTUARY

Milliman
515 East 100 South
Suite 600
Salt Lake City, UT 84102

AUDITOR

Eide Bailly LLP
Certified Public Accountants
5 Triad Center
Suite 600
Salt Lake City, UT 84180



Public Employees Health Program

Medical Program Highlights

PEHP provides group health insurance and Medicare supplement coverage for the State of Utah, its political subdivisions, and educational institutions. PEHP operates as a self-insurer and administers separate risk pools for the State and other participating employers. The program is maintained on a financially and actuarially sound basis to serve covered employers and individuals.

A **medical network** is a group of doctors, hospitals, and other healthcare providers who agree to provide services at negotiated rates. PEHP offers three provider networks: **Summit**, **Advantage**, and **Preferred**.

Summit Network — The Summit Network includes facilities from University of Utah Health, MountainStar Healthcare, and CommonSpirit Health. It offers broad access to hospitals, surgical centers, and imaging centers along the Wasatch Front. Hospitals in Salt Lake County include Holy Cross Salt Lake, University of Utah Hospital, Huntsman Cancer Institute,

Primary Children's Hospital, St. Mark's Hospital, Lone Peak Hospital, and Holy Cross Jordan Valley.

Advantage Network — The Advantage Network is anchored by Intermountain Health facilities and providers, and includes many independent non-facility providers. This network is ideal for members who prefer care through Intermountain facilities..

Preferred Network — The Preferred Network combines all providers and facilities from both the Summit and Advantage networks. It includes access to all major hospitals across Utah.

Plan Choices — PEHP offers two types of medical plans: **Traditional** and **STAR HSA-eligible** plans.

- Traditional Plans feature co-pays, lower deductibles, higher premiums, and lower out-of-pocket costs.
- STAR HSA Plans offer higher deductibles and lower premiums, along with tax-advantaged savings through a Health Savings Account (HSA). Both employers and employees can contribute to the HSA, up to annual IRS contribution limits, and use the funds tax-free for qualified healthcare expenses.

Medical Program Highlights (Concluded)

	2019	2020	2021	2022	2023	2024
Count of Membership						
● Advantage Network	87,873	87,466	87,402	89,188	91,852	86,003
● Summit Network	61,827	67,895	69,409	72,078	68,997	70,266
● Preferred Network	4,697	4,621	4,801	2,416	2,015	2,039
● Medicare	13,618	13,820	14,069	13,997	13,839	13,854
Totals	168,015	173,802	175,681	177,679	176,703	172,162
● Traditional Plan	84,543	86,367	86,365	84,626	78,102	72,556
● Star HSA Plan	69,854	73,615	75,247	79,056	84,762	85,752
Totals	154,397	159,982	161,612	163,682	162,864	158,308

Medical Program Additions by

● Premiums and service fees	\$ 725,225,526	767,094,257	813,528,805	854,368,087	925,005,864	978,710,693
● Federal subsidies	15,862,210	15,981,550	18,265,420	18,369,701	14,963,087	17,090,920
● Net investment income	13,007,263	14,450,922	(2,072,408)	(19,753,937)	17,267,972	12,432,201
Totals	\$ 754,094,999	797,526,729	829,721,817	852,983,851	957,236,923	1,008,233,814

Medical Program Deductions by

● Claims	\$ 664,828,723	672,515,577	804,162,806	813,687,096	844,662,167	961,373,627
● Provision for unpaid claims	7,975,697	14,706,077	18,718,639	(5,357,952)	31,938,497	(18,910)
● Experienced dividends	13,268,290	45,636,364	10,185,453	4,825,181	8,232,045	2,782,074
● Commissions	3,477,564	4,607,858	4,497,010	4,579,015	5,177,115	4,883,289
● Administrative expense and other	30,877,872	31,692,050	32,175,708	33,180,093	35,952,308	37,327,774
Totals	\$ 720,428,146	769,157,926	869,739,616	850,913,433	925,962,132	1,006,347,854

Medical Program Contingency

● Total assets available to pay benefits	\$ 332,562,951	409,359,805	374,273,350	355,522,051	418,410,842	427,000,513
● Total liabilities and reserves	70,432,038	118,860,089	123,791,433	102,969,713	134,583,712	141,287,423
Ending plan contingency reserve	\$ 262,130,913	290,499,716	250,481,917	252,552,338	283,827,130	285,713,090

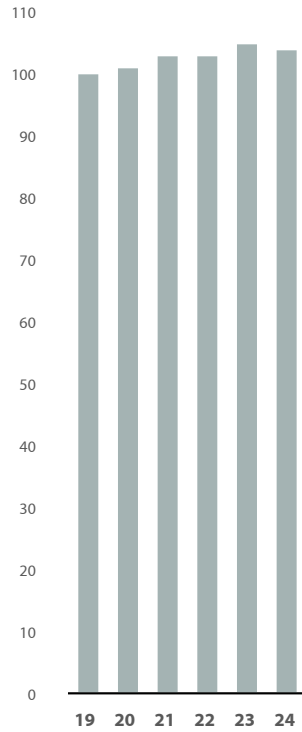
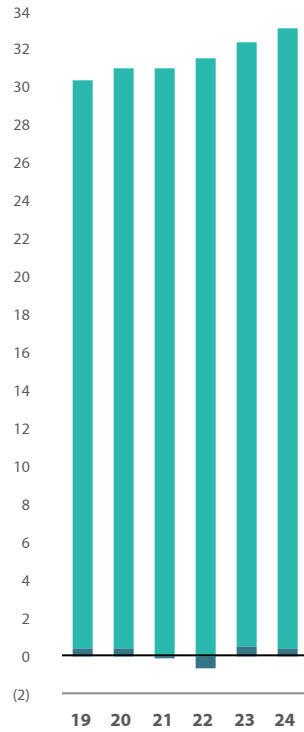
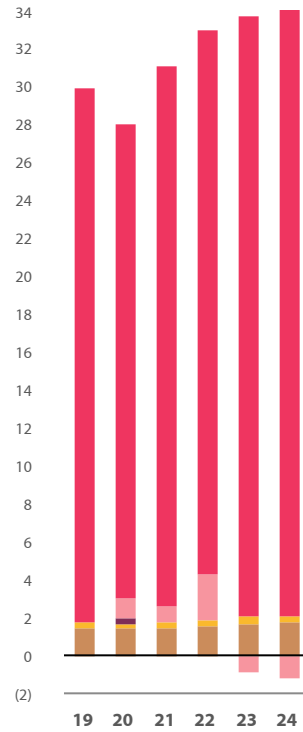
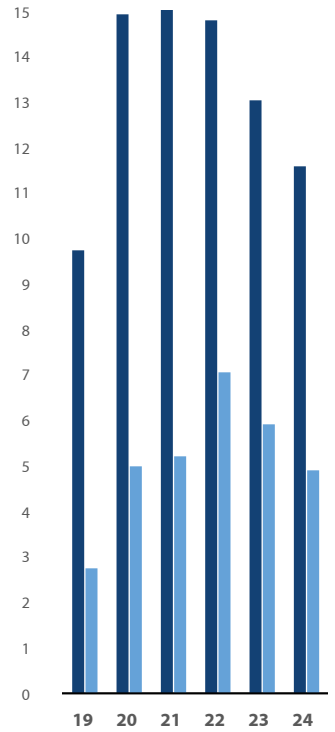


Public Employees Health Program

Dental Program Highlights

PEHP offers group dental insurance for the state, its political subdivisions, and educational institutions. PEHP acts as a self-insurer and administers separate risk pools for the state of Utah and other covered employers who have chosen to participate with PEHP. PEHP is maintained on a financially and actuarially sound basis for covered employers and covered individuals.



Dental Program Highlights (Concluded)**Total Membership Enrollment**
(in thousands)**Additions by Source**
(\$ in millions)**Deductions by Type**
(\$ in millions)**Contingency Reserves**
(\$ in millions)**Count of Membership**

● Dental Enrollment	100,345	100,632	102,819	103,358	105,392	103,893
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Dental Program Additions by Source

● Premiums and service fees	\$ 30,003,604	30,560,203	31,061,050	31,595,726	31,813,014	32,710,641
● Net investment income	429,111	478,029	(66,524)	(662,726)	579,323	410,836
Totals	\$ 30,432,715	31,038,232	30,994,526	30,933,000	32,392,337	33,121,477

Dental Program Deductions by Type

● Claims	\$ 28,188,373	25,020,752	28,406,461	28,716,522	31,740,432	32,568,097
● Provision for unpaid claims	9,373	1,041,874	898,608	2,388,485	(836,216)	(1,132,023)
● Experienced dividends	133	287,932	—	—	—	(18,022)
● Commissions	304,045	235,923	294,542	399,432	436,713	387,197
● Administrative expense and other	1,455,592	1,476,038	1,500,377	1,543,322	1,643,787	1,769,576
Totals	\$ 29,957,516	28,062,519	31,099,988	33,047,761	32,984,716	33,574,825

Dental Program Contingency Reserves

● Total assets available to pay benefits	\$ 9,746,071	14,944,965	15,070,154	14,815,058	13,072,473	11,595,330
● Total liabilities and reserves	2,785,842	5,009,023	5,239,674	7,099,341	5,949,135	4,925,340
Ending plan contingency reserve	\$ 6,960,229	9,935,942	9,830,480	7,715,717	7,123,338	6,669,990



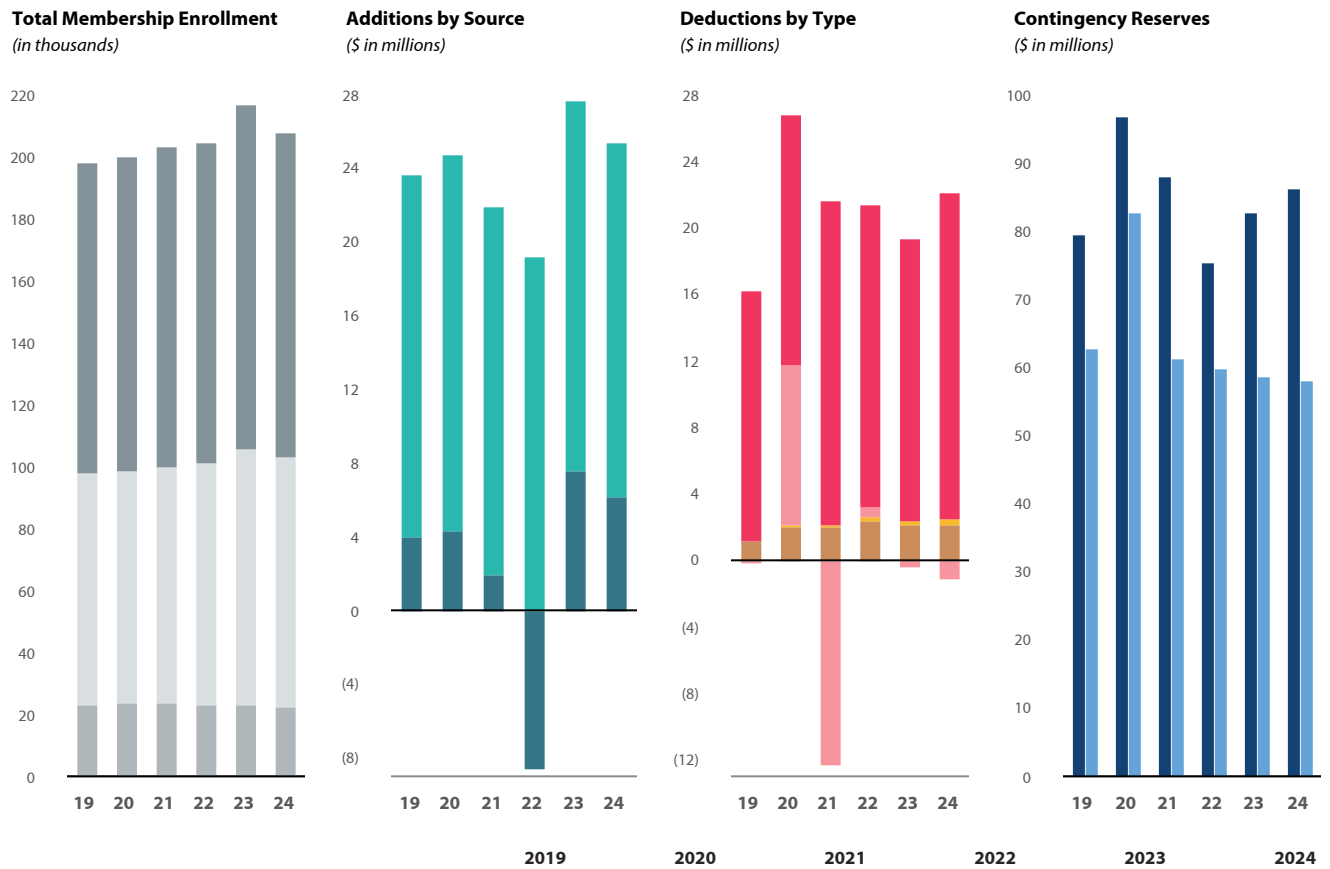
Public Employees Health Program

Group Term, Accidental Death & Dismemberment (AD&D), and Retiree Life Insurance Highlights

PEHP offers group term, AD&D and retiree life insurance for the state, its political subdivisions, and educational institutions. PEHP term life insurance provides up to \$500,000 of voluntary coverage. The Group AD&D plan provides benefits for death due to an accident on or off the job, for permanent loss of speech, hearing, eyesight, or limb function due to an accident, to supplement lost wages and to cover out-of-pocket expenses the medical plan may not pay.



Group Term, Accidental Death and Dismemberment (AD&D) and Retiree Life Insurance Highlights *(Concluded)*



Count of Membership

Term life	100,467	101,373	102,925	103,137	111,174	103,961
AD&D	74,351	75,239	76,646	77,765	82,713	80,930
Retiree life	23,507	23,684	23,626	23,521	23,127	22,591
Totals	198,325	200,296	203,197	204,423	217,014	207,482

Life Program Additions by Source

Premiums and service fees	\$ 19,663,834	20,335,998	19,969,388	19,179,765	20,157,953	19,208,542
Net investment income	4,019,456	4,370,395	1,985,791	(8,604,496)	7,555,147	6,143,560
Totals	\$ 23,683,290	24,706,393	21,955,179	10,575,269	27,713,100	25,352,102

Life Program Deductions by Type

Claims	\$ 15,002,689	15,044,818	19,548,501	18,181,328	16,946,842	19,571,480
Provision for unpaid claims	(189,373)	9,693,267	(12,233,890)	636,311	(364,625)	(1,103,803)
Experienced dividends	—	—	—	—	—	(31)
Commissions	65,818	55,425	113,303	257,541	257,541	359,136
Administrative expense and other	1,138,242	2,047,418	1,997,279	2,336,019	2,141,211	2,204,201
Totals	\$ 16,017,376	26,840,928	9,425,193	21,411,199	18,980,969	21,030,983

Life Program Contingency Reserves

Total assets available to pay benefits	\$ 79,524,200	96,909,968	87,864,899	75,286,327	82,739,453	86,222,923
Total liabilities and reserves	62,819,909	82,694,050	61,429,654	59,687,012	58,781,590	57,943,941
Ending plan contingency reserve	\$ 16,704,291	14,215,918	26,435,245	15,599,315	23,957,863	28,278,982



Public Employees Health Program

Long-Term Disability Insurance (LTD) Highlights

PEHP offers group Long Term Disability insurance for the state, its political subdivisions, and educational institutions. PEHP LTD is maintained on a financially and actuarially sound basis for covered employers and covered individuals. LTD is a safety net should an employee become disabled and unable to work. The LTD benefit is paid by the participating employer and provides two-thirds of regular monthly salary for accidental bodily injury, disease, or illness.

Summary Benefits

Benefit Amount:

Two-thirds of salary.

Waiting Period:

Three months; closest to the first of the month.

First 24 months of LTD:

Must be unable to perform regular job.

After 24 months of LTD:

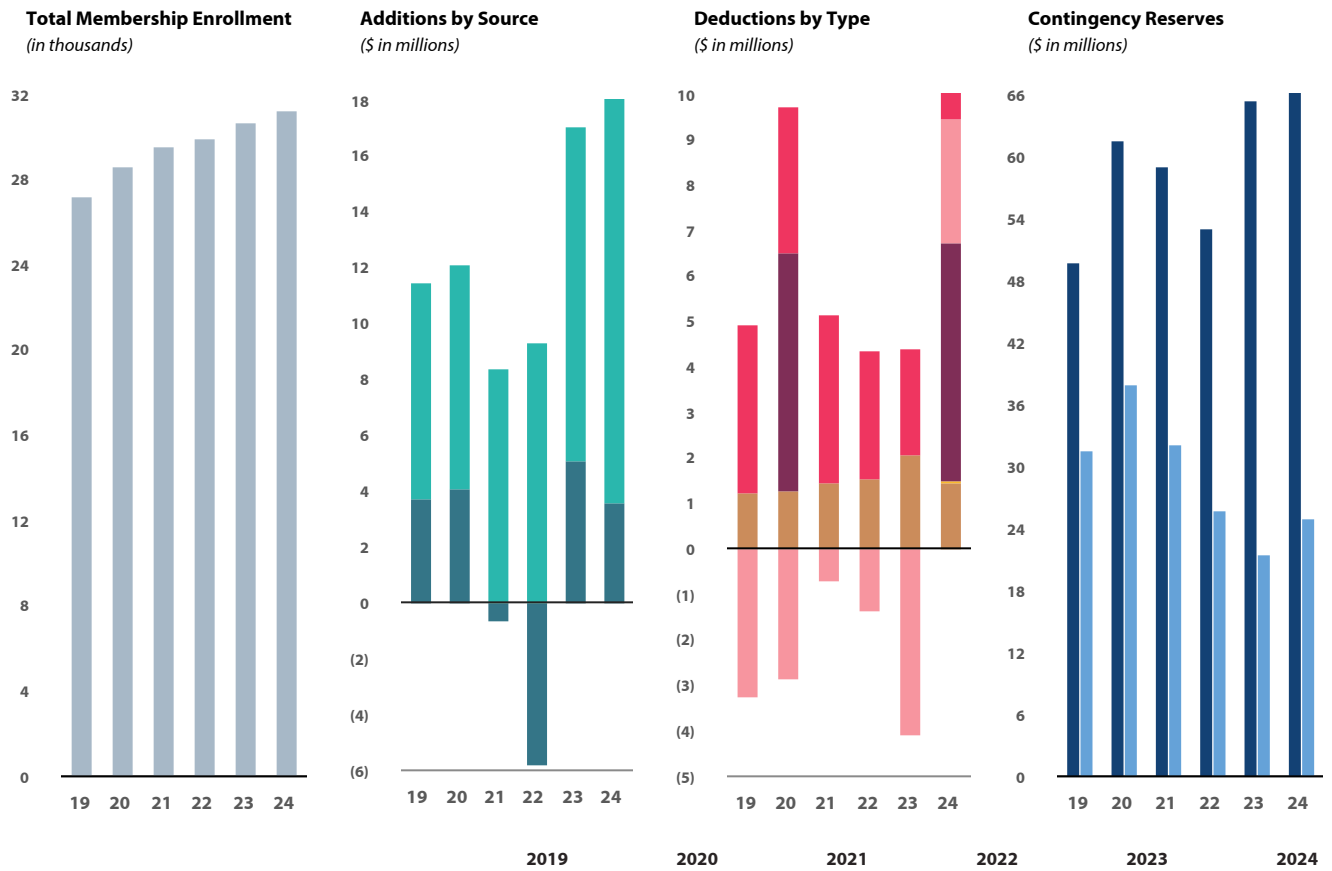
Must be unable to perform any gainful employment due to physical disability (includes sedentary work).

Maximum Benefit:

Age 65 or retirement with Utah Retirement Systems.

Line of Duty Benefit:

(External Force/Violence) 100% of regular salary.

Long-Term Disability Insurance (LTD) Highlights *(Concluded)***Count of Membership**

● Total LTD Enrollment	28,584	29,562	29,925	30,674	31,278	32,094
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LTD Program Additions by Source

● Premiums and service fees	\$ 7,760,090	8,052,257	8,431,983	9,309,980	12,018,097	14,974,138
● Net investment income	3,720,820	4,072,448	(610,534)	(5,816,511)	5,084,523	3,605,768
Totals	\$ 11,480,910	12,124,705	7,821,449	3,493,469	17,102,620	18,579,906

LTD Program Deductions by Type

● Claims	\$ 3,698,907	3,212,218	3,684,070	2,817,550	2,329,641	2,860,181
● Provision for unpaid claims	(3,260,449)	(2,836,762)	(680,563)	(1,363,735)	(4,054,601)	2,748,084
● Experienced dividends	2,612	5,241,000	—	—	—	5,237,771
● Commissions	—	—	—	—	—	45,616
● Administrative expense and other	1,233,855	1,296,905	1,470,690	1,553,985	2,101,909	1,445,681
Totals	\$ 1,674,925	6,913,361	4,474,197	3,007,800	376,949	12,337,333

LTD Program Contingency Reserves

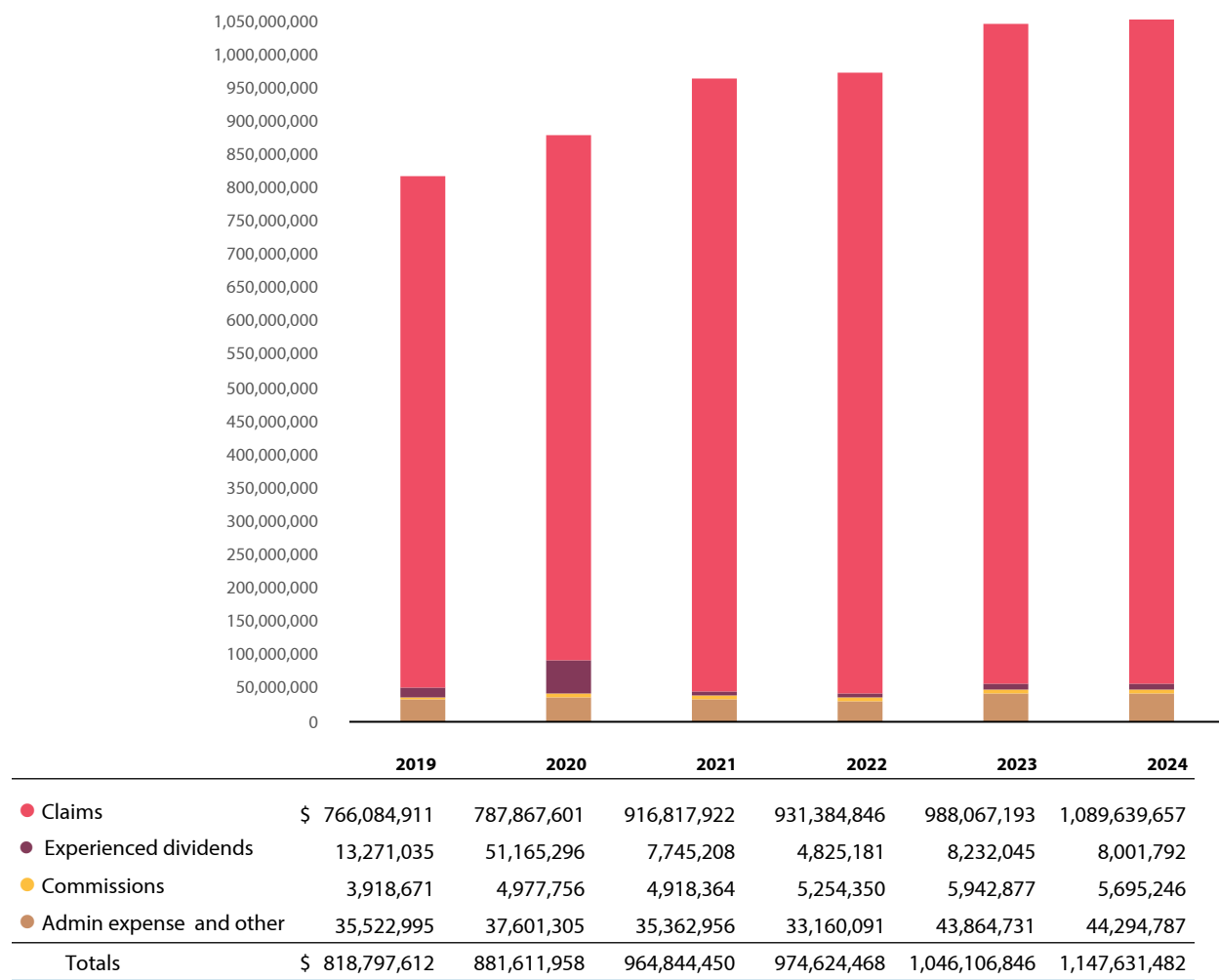
● Total assets available to pay benefits	\$ 49,779,564	61,478,745	59,052,579	53,105,911	65,467,412	75,234,956
● Total liabilities and reserves	31,505,496	37,993,333	32,219,915	25,787,581	21,423,411	24,948,382
Ending plan contingency reserve	\$ 18,274,068	23,485,412	26,832,664	27,318,330	44,044,001	50,286,574



Public Employees Health Program

Deductions by Type

Calendar Year Ending December 31



Public Employees Health Program

Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Utah State Retirement
Board Public Employees Health Program
Salt Lake City, Utah

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Public Employees Health Program, a discrete component unit of the State of Utah, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Public Employees Health Program's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Public Employees Health Program, a discrete component unit of the State of Utah, as of December 31, 2024, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audit 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 Audit of the Financial Statements section of our report. We are required to be independent of Public Employees Health Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Public Employees Health Program's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit 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 opinions. 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.

Auditor's Report *(Continued)*

- » 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 the Public Employees Health Program'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.
- » Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Public Employees Health Program's ability to continue as a going concern for a reasonable period of time.

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 management discussion and analysis, 10-year loss development information, and the notes to required supplementary information, which are located as outlined in the table of contents on page 2, 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 with 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 audit 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Public Employees Health Program's basic financial statements. The Supplementary information as noted in the table of contents on page 2 (supplemental financial information) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplemental financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the introductory and statistical sections as listed in the table of contents, and the summarized comparative information as of and for the fiscal year ended June 30, 2024 but does not include the basic financial statement and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2025 on our consideration of the Public Employees Health Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Public Employees Health Program'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 the Public Employees Health Program's internal control over financial reporting and compliance.

Eide Bailly LLP

Salt Lake City, Utah
May 31, 2025

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Auditors Report *(Concluded)*



**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Board of Directors
Utah Retirement Board
Public Employees Health Program
Salt Lake City, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the business-type activities of the Public Employee Health Program, a discrete component unit of the State of Utah, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Public Employee Health Program's basic financial statements and have issued our report thereon dated May 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Public Employee Health Program's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Public Employee Health Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Public Employee Health Program's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Public Employee Health Program's financial statements will not be prevented,

or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Public Employee Health Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Public Employee Health Program's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Public Employee Health Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

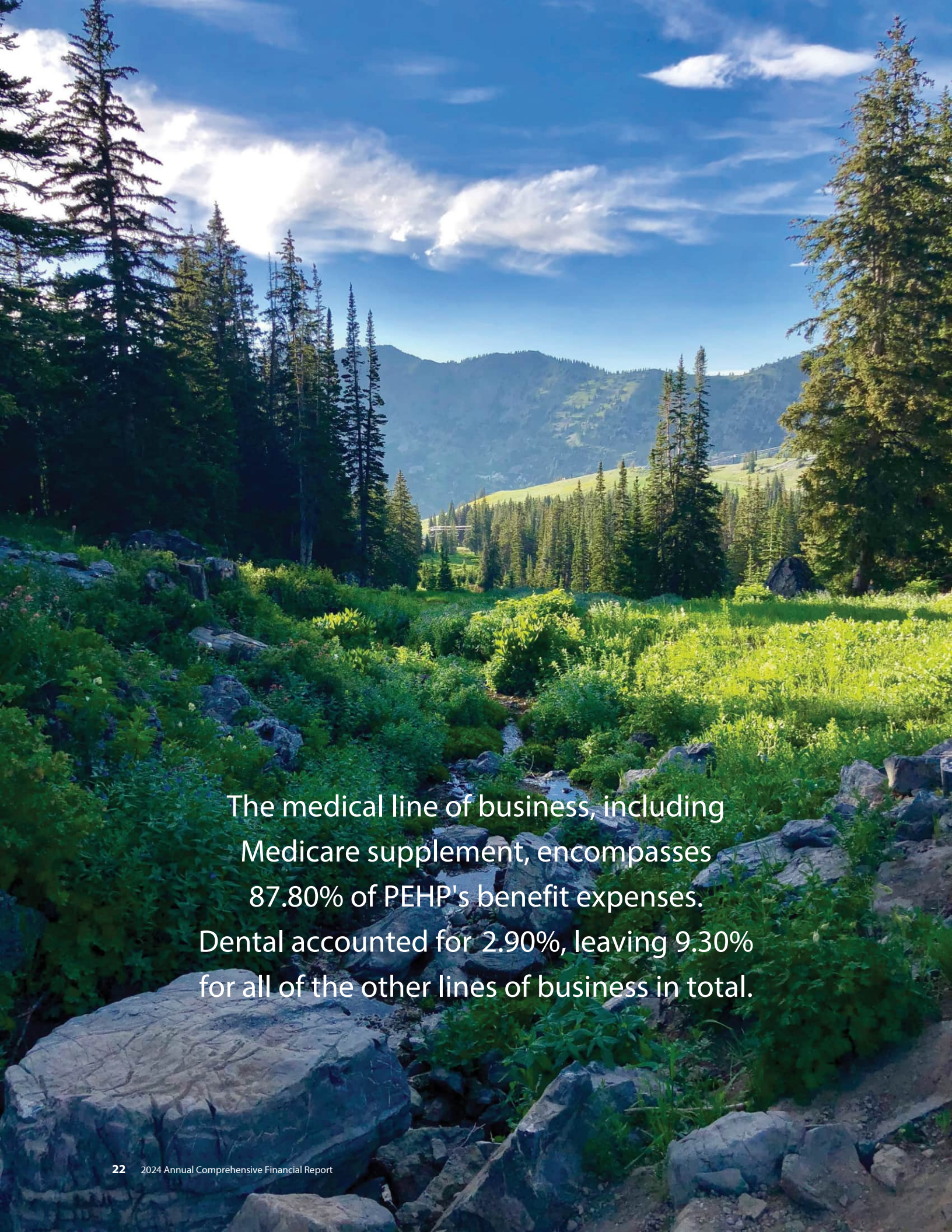
A handwritten signature in dark ink that reads "Eide Bailly LLP".

Salt Lake City, Utah

May 31, 2025

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The medical line of business, including Medicare supplement, encompasses 87.80% of PEHP's benefit expenses. Dental accounted for 2.90%, leaving 9.30% for all of the other lines of business in total.

Public Employees Health Program

Management Discussion and Analysis

For the Year Ended December 31, 2024



The management of Public Employees Health Program (PEHP) presents the following discussion and analysis of the financial statements for the year ended December 31, 2024. PEHP is authorized and created under Title 49, Chapters 20 and 21, of the Utah Code to organize and administer self insurance risk pools for employee benefits for the state, its educational institutions, and political subdivisions.

PEHP is a trust whose custody and management is governed by the Utah State Retirement Systems Board. The Program has certain assets, expenses and administrative support allocated from URS. The Program generates revenue and liabilities from its insurance products offered to customers and administrative fees earned from third party administration. All accounting transactions, including PEHP expenses, are recorded or allocated to the various risk pools and lines of business. This is consistent with the statute that created PEHP, to organize and administer funded self-insurance risk pools. PEHP does not report the various risk pools as separate funds. Therefore, the risk pool reporting is provided as schedules in the supplemental information.

The long-term disability, term life, retiree life, and health reimbursement arrangement plan (HRA) lines of business, and the Medicare Supplement and reinsurance risk pools are singular risk pools in which all participating employers share the risk. The medical and the dental lines of business are divided into various risk pools of single or

multiple employer pools. The medical line of business, including Medicare supplement, encompasses 87.80% of PEHP's benefit expenses. Dental accounted for 2.90% leaving 9.30% for all of the other lines of business in total.

PEHP is a "public entity risk pool" as defined by GASB Statement No. 10, encompassing three of the four types of pools identified. Risk is shared in the long-term disability, term life, retiree life, and health reimbursement arrangement lines of business, the Medicare supplement program and in the medical and dental risk pools for the Utah School Board Association and the Local Government Risk Pool. Catastrophic reinsurance is purchased from private insurance companies through the "Reinsurance" risk pool and the term life program. PEHP acts as a third-party administrator and provides administrative services only and holds no significant contingency reserves for Jordan School District, Canyons School District, Salt Lake School District, Salt Lake County, City of West Jordan, Park City School District, and inmates for the Utah Department of Corrections.

Management Discussion & Analysis *(Continued)***Summary of Net Position at December 31 is as follows:**

	2024	2023	2024 Increase (Decrease)	2024 Percentage Change
Assets and Outflows:				
Cash, cash equivalents, and investments	\$ 672,313,462	621,017,584	51,295,878	8.3%
Receivables	77,544,869	76,697,503	847,366	1.1
Capital assets (net of accumulated depreciation)	34,531,404	32,500,137	2,031,267	6.3
Net pension and other post employment benefit plan assets *	—	412,436	(412,436)	(100.0)
Deferred outflows relating to pensions and other post employment benefits *	—	8,550,826	(8,550,826)	(100.0)
Total assets and deferred outflows	784,389,735	739,178,486	45,211,249	6.1
Liabilities and Inflows:				
Claims and other	216,712,952	202,994,024	13,718,928	6.8
Life and long-term disability	65,901,639	63,921,312	1,980,327	3.1
Net pension and other post employment benefit plan liabilities *	—	9,674,938	(9,674,938)	(100.0)
Deferred outflows relating to pensions and other post employment benefits *	—	660,518	(660,518)	(100.0)
Total liabilities and deferred inflows	282,614,591	277,250,792	5,363,799	1.9
Net Position:				
Restricted for claim contingency reserves	451,572,183	414,513,633	37,058,550	8.9
Restricted for benefits	50,202,961	47,414,061	2,788,900	5.9
Total net position	\$ 501,775,144	461,927,694	39,847,450	8.6%

Summary of Changes in Net Position for Years Ended December 31, 2024, and 2023:

	2024	2023	2024 Increase (Decrease)	2024 Percentage Change
Revenues:				
Premiums and fees	\$1,159,502,038	1,090,590,788	68,911,250	6.3%
Investment income	27,976,894	37,179,288	(9,202,394)	(24.8)
Total revenues	1,187,478,932	1,127,770,076	59,708,856	5.3
Expenses:				
Insurance benefits	1,097,641,449	996,299,238	101,342,211	10.2
Administrative and other expenses	49,990,033	49,807,608	182,425	0.4
Total benefits and expenses	1,147,631,482	1,046,106,846	101,524,636	15.4
Revenues over (under) benefits and expenses	39,847,450	81,663,230	(41,815,776)	(51.2)
Net Position:				
Beginning of year, restricted for claim contingency reserves	414,513,633	335,109,444	79,404,189	23.7
Beginning of year, restricted for benefits	47,414,061	45,155,020	2,259,041	5.0
Ending of year, restricted for claim contingency reserves	451,572,183	414,513,633	37,058,550	8.9
Ending of year, restricted for benefits	50,202,961	47,414,061	2,788,900	5.9
Ending net position, restricted	\$ 501,775,144	461,927,694	39,847,450	8.6%

***Pension and OPEB Related Balances**

In the 2023 calendar year, the financial statements included balances related to Utah Retirement Systems Defined Benefit Plan and Other Postemployment Benefits (OPEB) plans, specifically net pension asset/liability, net OPEB asset/liability, and the associated deferred outflows and inflows of resources, in accordance with GASB Statements No. 68, and 75. Effective January 1, 2024, due to a change in organizational reporting entity and reporting responsibility, these plans are no longer included within the PEHP reporting entity due to a formal cost allocation policy that Utah Retirement Systems (URS) holds the reporting responsibility for these balances. The change aligns with the operational structure of the plan and does not represent a Change to or within the Financial Reporting Entity under GASB 100, but rather a clarification and reallocation of reporting duties. This change affects the comparability of financial statement components between years, particularly in the Statement of Net Position. Management provides this explanation to support transparency in understanding year-over-year variances in total assets, liabilities, deferred resources, and net position.

Management Discussion & Analysis *(Continued)*



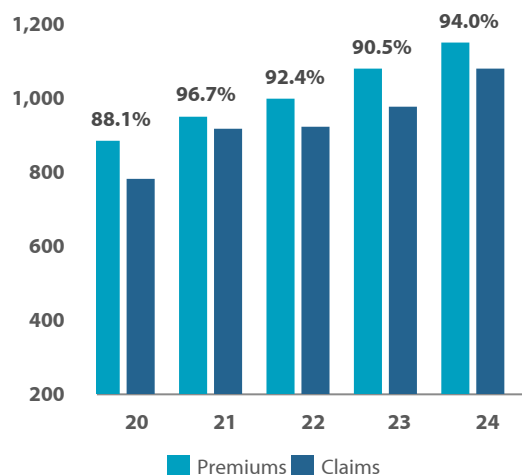
GASB Statement No. 10 provides guidelines for recording and reporting of revenues, expenses, liabilities, assets, and specified supplementary information. PEHP records transactions according to these guidelines. Given the short-term nature of PEHP's lines of business, the required supplementary information presented is deemed sufficient to meet the principles of GASB Statement No. 10. PEHP has also adopted the financial reporting provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 amends certain portions of the financial reporting provisions of GASB Statement No. 10. GASB Statement No. 63 establishes the standards for reporting deferred outflows of resources, deferred inflows of resources, and net position. PEHP has prepared the financial statements in accordance with GASB Statement No. 63.

Financial Condition

PEHP works with the employers and actuaries to set medical and dental premium rates that will maintain appropriate reserve levels for each risk pool. The criteria vary depending on the type of risk pool. New risk pools provide an initial deposit or establish reserves over time.

Over the past five years, PEHP has maintained a stable and sustainable financial position. Premium revenues have consistently outpaced claims with loss ratios ranging from 88.1% to 96.7%, reflecting strong underwriting practices and effective cost containment strategies. The loss ratio - which measures the percentage of premium dollars used to pay member claims - serves as a key indicator of financial efficiency and plan performance. A lower ratio suggests that premium revenue is more than sufficient to cover claim costs, while helping to build reserves for future needs. Notably, loss ratios were lower in 2020 due to the COVID-19 pandemic, as many members deferred elective care procedures and non-urgent care.

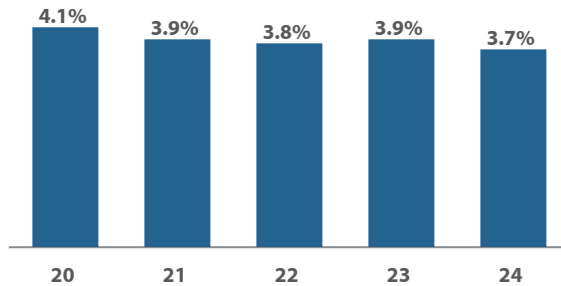
Premiums, Claims, and Loss Ratio - Five Year Trend
Calendar Years Ended December 31
(\$ in Millions)



Over the past five years, PEHP has maintained an efficient administrative cost structure, with administrative expense ratios ranging from 3.7% to 4.1% of premiums earned. This ratio reflects the percentage of premium revenue used to support essential non-claim functions such as claim processing, customer service, plan management, technology systems and compliance. These all-in administrative costs provide a broad view of what it takes to operate the plan effectively. By keeping this ratio well below what is typical for a large health insurance program, PEHP demonstrates strong operational discipline, efficient use of resources, and a commitment to maximizing the portion of premium dollars that go directly towards member benefits.

Management Discussion & Analysis *(Continued)***Reserves and Net Position**

Administrative Expense Ratio - Five Year Trend
Calendar Years Ended December 31



Total contingency reserves increased by \$39.8 million as follows:

- » The medical program contingency reserves increased by \$1.9 million due to premium increases exceeding overall medical program expenses and favorable investment income of \$12.2 million
- » Dental contingency reserves decreased by \$453.3 thousand due to higher utilization claims costs. Administrative and commission expense of \$33.6 million exceeding total revenues of \$33.1 million and the plan earned a net investment gain of \$410.8 thousand.
- » The Long-Term Disability (LTD) program realized an increase of \$6.2 million in contingency reserves due to premiums of \$15.0 million and investment income of \$3.6 million, exceeding paid and estimated claims and expenses of \$12.3 million. In August 2024, the Utah Retirement Systems (URS) Board adopted resolution 2024-01 which introduced several important enhancements and clarification of the program. In recognition of the accumulated reserve levels beyond actuarial targets, PEHP issued refunds to participating employers equal up to six months of LTD premiums. Also, effective September 1, 2024, the LTD premiums rates were reduced to either 0.475% or 0.425% of eligible employee salary depending upon employer classification. The resolution clarified consistency and support of claim determinations and added a survivor benefit equal to three months of regular monthly benefit to the beneficiary. The plan has experienced improving loss ratios in recent years and therefore there is a smaller contingency reserve needed. The reserve was reduced by \$2.7 million due to favorable experience over the last several years.
- » Term life contingency reserve decreased by \$70.5 thousand primarily from higher than expected death claims. The program experienced favorable net investment income of \$1.6 million.
- » The retiree life program had a contingency reserve increase of \$4.4 million. The increase was primarily from the net investment gain of \$4.5 million. The liability decreased by \$12.3 thousand based upon the current actuarial valuation.
- » The reinsurance program had a contingency reserve increase of \$23.7 million due to favorable claim experience from lower large claim costs and further improved by a investment income of \$3.0 million
- » The HRA Program reserves restricted for benefits increased by \$2.8 million due to employer contributions exceeding benefit payments and expenses and further improved by investment income of \$2.6 million.

Financial Statements

The financial statements for PEHP are prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). PEHP is reported as a discrete component unit of the State of Utah. Revenues are recognized when earned and expenses are recognized in the period in which they are incurred. See the footnotes for more information.

Financial Analysis

- » The total of cash, investments, and security lending collateral increased by \$51.3 million due primarily from a net increase from operating activities of \$24.6 million by solid premium collections and effective claims and cost management. Investments experienced a net increase in portfolio fair value of \$21.7 million for calendar year 2024 from rising stock market from the prospect of lower interest rates and bond markets rebounded as the Federal Reserve began lowering interest rates in response to declining inflation and slowing economic growth. Cash equivalents continued to offer was a favorable year yields for much of the year as rates remained relatively high.
- » Total receivables increased by \$847 thousand or 1.1% primarily from the timing of collection of group premiums in 2024 compared to 2023.
- » Capital assets include computers, software construction in progress, and office equipment. The net capital assets increased by \$2.0 million due to the purchase and implementation of a new core administrative software claim processing system. See Note 9 to the financial statements starting on page 45 for further information.
- » The total liabilities increased by \$6.0 million primarily from the increase in claims payable and estimated liabilities for claims incurred by not reported and elimination of reported net pension liability due to the change in reporting responsibility to URS.

Management Discussion & Analysis *(Concluded)*

Health care claim liabilities decreased by 1.5 million due increases in outpatient facility, pharmacy, and professional services in calendar year 2024. Life and long term disability reserves increased by 2.0 million from the updated actuarial valuation of program liabilities.

The Summary for the Statement of Changes in Net Position for the years ended December 31, 2024, and 2023 is as follows:

- » Premium and fee income increased by \$66.2 million or 6.2%, due primarily to increases in medical plan rates.
- » Investment income decreased by \$9.2 million due to the change in fair value of investment portfolio holdings. Fixed income securities returned a 3.20%; and the diversified fund returned 9.57% driven by strong corporate earnings, continued economic recovery post-pandemic, and favorable monetary policies.
- » Total insurance benefits expense increased by \$101.3 million or 10.2% due primarily to an increase in paid claims of \$127.8 million, and an increase in reserve estimates of \$42.6 million since patients received higher medical services in 2024 compared to 2023. Experience dividends decreased \$230 thousand due to higher expenses in 2024 leaving less excess reserves available for refund.

Budgets

Since the risk pools belong to the current participating employers, PEHP does not budget revenues and insurance benefit expenses. Budgets are prepared on administrative expenses and capital assets. For the budget years ended June 30, 2024, and June 30, 2023, the administrative expenses including capital assets were \$2.6 million and \$2.8 million under budget respectively as outlined in the table below.

	Fiscal Year ending June 30, 2024	Fiscal Year ending June 30, 2023
Board approved budget	\$49,119,268	43,592,714
Actual expenditures	46,497,948	40,770,797
Variance (over)/under budget	\$2,621,320	2,821,917

Public Employees Health Program

Statement of Net Position

As of December 31, 2024

	2024
Assets:	
Current Assets:	
Cash and cash equivalents	220,444,261
Receivables:	
Premiums and service fees	57,405,855
Securities and interest receivable	3,352,268
Invested securities lending collateral	6,285,442
Other receivables	16,786,746
Total current assets	304,274,572
Noncurrent Assets:	
Investments	445,583,759
Capital assets (net of accumulated depreciation)	34,531,404
Total noncurrent assets	480,115,163
Total assets	784,389,735
Liabilities:	
Current Liabilities:	
Claims payable	60,372,848
Estimated liability for claims incurred by not reported	78,060,916
Premiums payable	192,639
Unearned premiums	4,392,031
Accrued expense payable	15,618,762
Taxes payable	19,119
Experience dividend payable	3,403,768
Security lending liability	6,285,442
Total current liabilities	168,345,525
Noncurrent Liabilities:	
Life insurance reserves	53,938,568
Long term disability claim reserves	11,877,220
Long term disability medical premium reserves	85,851
Due to other agencies and other liabilities	48,367,427
Total noncurrent liabilities	114,269,066
Total liabilities	282,614,591
Net Position:	
End of year, restricted for claim contingency reserve	451,572,183
End of year, restricted for benefits	50,202,961
Total net position	501,775,144

Comparative information for the prior year is not presented due to a change in the reporting entity that affects comparability. See Note 1 for further explanation. The accompanying notes to the financial statements are an integral part of these statements.

Public Employees Health Program

Statement of Changes in Net Position

For the year ended, December 31, 2024

2024	
Revenues:	
Premiums earned, service fees, and other revenue, net of refunds	\$ 1,134,831,304
Federal subsidy	17,090,920
Employer contributions	7,395,569
Net investment income	27,976,894
Miscellaneous income	184,245
Total Revenues	1,187,478,932
Expenses:	
Claims	1,089,146,309
Change in unpaid claims incurred but not reported	493,348
Experience dividends	8,001,792
Total Insurance Benefits	1,097,641,449
Administrative and other expenses:	
Administrative expenses	42,599,215
Commissions	5,695,246
PPACA fees	304,505
Other	1,391,067
Total expenses	1,147,631,482
Revenues over (under) expenses	39,847,450
Net position:	
Beginning of year, restricted for claim contingency and benefits	461,927,694
End of year, restricted for claims contingency and benefits	\$ 501,775,144

Comparative information for the prior year is not presented due to a change in the reporting entity that affects comparability. See Note 1 for further explanation. The accompanying notes to the financial statements are an integral part of these statements.

Public Employees Health Program


Statement of Cash Flow

For the year ended, December 31, 2024

2024

Cash flows from operating activities:	
Cash received from premiums and service fees	\$ 1,157,595,290
Cash paid for insurance benefits	(1,089,088,379)
Cash paid for administrative and other expenses	(36,278,963)
Policyholder experience dividends paid	(7,620,273)
Net cash provided by operating activities	24,607,675
Cash flows from investing activities:	
Investment income	24,219,543
Proceeds from maturities of sales of fixed income securities	132,198,831
Purchases of fixed income securities	(150,820,205)
Net cash (used) by investing activities	5,598,169
Cash flows from capital and related financing activities	
Funds used in payment of right to use assets liability	(1,221,893)
Acquisitions of capital assets	(3,792,629)
Interest paid	(1,001,899)
Net Cash (used) by financing activities	(6,016,421)
Net increase (decrease) in cash and cash equivalents	24,189,423
Cash and cash equivalents at beginning of year	196,254,838
Cash and cash equivalents at end of year	220,444,261
Reconciliation of revenue over (under) benefits and expenses to net cash provided (used) by operating activities:	
Revenue over (under) benefits and expenses	39,847,450
Adjustments to reconcile revenue over (under) benefits and expenses to net cash provided (used) by operating activities:	
Amortization	1,761,362
Interest expense SBITA	1,001,899
Net investment income	(27,976,894)
OPEB related items	350,917
Pension related items	(1,723,111)
Change in assets and liabilities:	
Premiums and service fees	(3,930,225)
Employer contributions	425
Prepaid expenses and other current assets	2,951,755
Claims payable	(25,134,561)
Liability for claims incurred but not reported	23,647,582
Life insurance reserves	(204,995)
Long term disability claim reserves	2,369,611
Long term disability medical premium reserves	(184,289)
Experience dividend payable	381,519
Due to other agencies and other liabilities	2,761,487
Premium payables	43,574
Unearned premiums	2,023,048
Accrued expense payable	6,628,555
Taxes payable	(7,434)
Net cash provided by operating activities	\$ 24,607,675

Comparative information for the prior year is not presented due to a change in the reporting entity that affects comparability. See Note 1 for further explanation. The accompanying notes to the financial statements are an integral part of these statements.



PEHP provides insurance services
to employees of 407 municipalities,
school districts, and other public entities
within the State of Utah.

Notes to Financial Statements

For the Year Ended December 31, 2024



Note 1

Summary of Significant Accounting Policies

Organization and Nature of Business

Public Employees Health Program (the “Program”) is a discrete component unit of the State of Utah created under the State of Utah Retirement Act to provide insurance services to public employees of the State of Utah. All “Program” employees are employed by URS with all non-program costs, assets, and liabilities allocated to PEHP.

PEHP also provides insurance services to employees of 407 municipalities, school districts, and other public entities within the State of Utah. Under authority granted by the Retirement Act, PEHP is administered by the Utah State Retirement Board (the “Board”). PEHP has elected to include certain information as of December 31, 2023, and is presented as supplementary information to the basic financial statements.

PEHP provides insurance services predominately for agencies of the State of Utah. Effective with the year ended June 30, 2003, the State of Utah changed its accounting for PEHP from an internal service fund to a discrete component unit of the State of Utah, in accordance with the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 10, *Accounting for Financial Reporting for Risk Financing and Related Insurance Issues* as defined in that statement.

Insurance products offered by PEHP include medical, dental, long-term disability, and life insurance. Public entities participating in the medical and dental programs are grouped into various risk pools for purposes of establishing rates, providing policyholder experience dividends, and retaining risk of loss from such insurance products. Under the Board’s current policy, commercial medical risk pools can elect to participate in the PEHP sponsored reinsurance pool. This fund provides specific stop-loss insurance for individual claimants who incur aggregate claims in excess of amounts between \$100,000 and \$350,000 during the fiscal years ended December 31, 2024 and 2023. During the years ended December 31, 2024, and 2023, PEHP collected medical reinsurance premiums of \$89,223,689 and \$79,649,858 respectively.

Notes to Financial Statements *(Continued)*

December 31, 2024



The fund also provides aggregate stop-loss coverage at various levels. Management believes that it has recorded claims payable and benefit reserves adequate to meet all actuarially determined losses. PEHP does not enter into any external medical reinsurance agreements.

PEHP has reinsurance coverage for a life catastrophic occurrence in excess of \$3,000,000, not to exceed \$80,000,000 per year with a one-time reinstatement with additional premium. The limit is dependent on the participating group's lifetime maximum. The retention per person will be reapplied to PEHP each calendar year. During the years ended December 31, 2024 and 2023, PEHP paid \$183,295 and \$322,371 respectively, in premiums under all life reinsurance agreements. PEHP also collects and passes through premiums for certain independent insurers.

The accounting policies of PEHP conform to accounting principles generally accepted in the United States of America in all material respects.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents reported on the Statements of Net Position and the Statements of Cash Flows include a demand account at a commercial financial institution and funds held on deposit with Utah Retirement Systems. The demand account is covered by an overnight repurchase agreement with the financial institution. PEHP considers all highly liquid debt instruments with a maturity of less than three months to be cash equivalents.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates which are particularly susceptible to change relate to the actuarial valuation of the claims incurred but not reported and benefit reserves. Actual results could differ from those estimates.

PEHP invests in various investment securities and commingled funds which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the amounts reported in the Statements of Net Position.

Investments

Investments are comprised of U.S. government securities, agency notes and mortgage-backed securities, corporate notes, asset-backed securities, and commingled funds. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Many factors are considered in arriving at that value. Corporate debt securities are valued based on yields currently available on comparable securities of issuers with similar

Notes to Financial Statements *(Continued)*

December 31, 2024



credit ratings. Changes in the fair value of investments are recognized as investment income in the Statements of Changes in Net Position.

Investment Leveling

PEHP categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Accounts Receivable

Accounts receivable are recognized when PEHP has a legal right to payment for insurance premiums due. They are measured at the amount expected to be collected, net of any allowance for doubtful accounts. Receivables are recorded when the premium is billed or becomes due according to the policy terms. Other receivables consist of amounts due to PEHP for rebates, overpaid claims, Medicare subsidies, and other various amounts due where a legal right to receive payment exists. PEHP considers all receivables collectible and writes off any bad debt when it is determined to be uncollectible.

Capital Assets

Capital assets are defined by PEHP as both tangible and intangible right-to-use assets with an initial cost of more than \$5,000 and \$1,000,000 respectively. Capital assets are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives for capital assets range from three to ten years. Starting in year 2019, PEHP no longer purchased tangible capital assets directly but rather pays for the allocated

use of those assets through the administrative expense allocation from the Utah Retirement Systems. PEHP is capitalizing its software construction in progress as part of its total capital assets. PEHP has entered into subscription-based information technology agreements for software and IT services that grant the right-to-use intangible assets for a specified term. Right-to-use assets are measured at the present value of subscription payments over the subscription term. Right-to-use assets are amortized over the lesser of the subscription term or useful life of the underlying asset, on a straight-line basis.

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements

PEHP adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The implementation of this standard establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. Additional disclosures required by this standard is included in Note 7, Capital Assets and SBITA Commitments, Note 10.

Claim Liabilities and Benefit Reserves

PEHP establishes claim liabilities and benefit reserves based on actuarial and other estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Long-term disability benefit reserves are reported using discount rate of 3.0% for one year, followed by a discount rate of 2.07% thereafter to calculate the present value of estimated future cash payments as of December 31, 2024 and 2023. Income benefits are assumed to increase 2.5% per year. and medical premiums are assumed to increase

Notes to Financial Statements *(Continued)*

December 31, 2024

7.5% per year. Because actual claim costs depend on such complex factors as inflation and changes in insurance benefits, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically by an actuary to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. Inflation is implicit in the calculation because reliance is based on historical data that reflects past inflation and other appropriate modifiers. Adjustments to claims liabilities and benefit reserves for changes in estimates are recorded in the Statements of Changes in Net Position in the period in which changes are made.

Health Reimbursement Arrangement

The Health Reimbursement Arrangement (HRA) is a tax-advantaged health savings plan for State employees funded by employer contributions to pay for qualified healthcare expenses incurred after retirement. No employee contributions are permitted. The plan net position as of December 31, 2024 and 2023, was \$50,202,961 and \$47,414,061, respectively.

**Claims Contingency Reserves**

In order for PEHP to manage risks which are not accounted for when premiums were set to fund the costs of insurance benefits, PEHP maintains claims contingency reserves. The claims contingency reserves also manage risks which were accounted for in the premiums for a given coverage period, but where the potential impact of these risks could be higher than what was accounted for in the funding of insurance benefits. The claims contingency reserve is shown as restricted net position on the Statement of Net Position. In order to ensure that PEHP maintains adequate levels of claims contingency reserves, an independent external actuary was hired to evaluate the claims contingency reserves at June 30 and provide recommendations on appropriate claims contingency reserves levels.

The independent actuary's recommendation included an estimate of claims contingency reserves to cover the various risks faced by groups' benefit plans. Specifically, the claims contingency reserves estimates includes amounts to offset the following risks: (1) an underestimate of unpaid claim liabilities or IBNR estimates, which would impact funding for a future coverage period; (2) a trend

fluctuation margin to cover the 95th percentile of trend estimate over the trend assumption used for setting the budget premium amounts for the employee benefit plan; (3) a claim fluctuation reserve to cover 95th percentile of the claim level variation over the average expected claim levels, when other actuarial assumptions used for funding the employee benefit plans are held constant; and (4) a reserve to cover variation in claim costs due to other unexpected or unknown contingent events such as data errors, unexpected litigation, natural disasters, a catastrophic epidemic, etc.

At December 31, 2024, the restricted claims contingency reserve is expected higher than at June 30, 2025, due to the majority of plans having a June 30th fiscal year end as deductibles are reached and more payment responsibility shifts to the insurance plan.

The estimate of each of the claims contingency reserves evaluated are presented in terms of days of average premium. The actuary performed an evaluation for each pool and provided to PEHP the appropriate level of the claims contingency reserve, in terms of days, for each of the pools evaluated.

Notes to Financial Statements *(Continued)*

December 31, 2024

To ensure that the claims contingency reserves are maintained at the recommended funding levels, PEHP evaluates the days of average premium at the end of each budget year. The budget year for PEHP is July 1 through June 30. PEHP performs this evaluation at the end of the budget year because PEHP's budget more closely matches the policy period for PEHP's insured groups and presents a more accurate financial picture of the benefits paid for that policy period. If the claims contingency reserves are underfunded, a pool may potentially see an increase in premiums until claims contingency reserves are returned to the recommended levels. If the pool is overfunded, PEHP, will either:

- (1) refund a portion of the claims contingency reserves (in the form of policyholder experience dividends),
- (2) provide the pool a premium holiday, and/or
- (3) hold premiums constant for the next renewal period.

Please refer to Note 4 for the current year Policyholder Experience Dividends paid for the years ended December 31, 2024 and 2023.

Premium Revenue, Unearned Premiums

Premium revenue is recorded in the month in which coverage is provided. Premiums received in advance are recorded as unearned premiums. PEHP receives Medicare part D prescription drug subsidy settlements, which are calculated by the Center for Medicare Services (CMS). These settlements are significant estimates and gain contingencies, which are not recognized until adequate information is available to recognize the settlement.

PEHP acts as the administrator for several self funded groups. The claims reimbursements received for these self-funded plans are recorded as other revenue in the financial statements.

Federal Income Taxes

PEHP is exempt from the payment of Federal income taxes under Section 115 of the Internal Revenue Code.

PPACA Fees

The Patient Protection and Affordable Care Act (PPACA) fees are fees that are charged to all applicable insureds, as a result of the PPACA. This line item from the Statements of Changes in Net Position and Reserve Balances on page [29](#) represents the amount charged to PEHP during the year directly related to the PPACA.

On January 22, 2018, H.R.195 was enacted, suspending the collection of the fees for calendar year 2019 for certain health-related taxes. On December 20, 2019, the Further Consolidated Appropriations Act, 2020 was signed into law, in effect repealing H.R.195's suspension of the collection of fees for 2019, and extending the imposition of the fees imposed by certain health-related taxes through 2029.

Pension and OPEB Related Balances**Change in Reporting Entity : Pension, OPEB, and Compensated Absences Related Balances**

In the 2023 calendar year, the financial statements included balances related to Utah Retirement Systems Defined Benefit Plan and Other Postemployment Benefits (OPEB) plans, specifically net pension asset/liability, net OPEB asset/liability, and the associated deferred outflows and inflows of resources, in accordance with GASB Statements No. 68, and 75. These statements also included balances for compensated absences which represents benefits earned for services already rendered that are expected to be paid in the future, such as accrued annual leave, sick leave, other other paid time off. These benefits are recognized when the benefits are earned and become vested or accumulate in accordance with GASB 101. Effective January 1, 2024, due to a change in organizational reporting structure and reporting responsibility, these plans are no longer included within the PEHP reporting entity due to a formal cost allocation policy that Utah Retirement Systems (URS) holds the reporting responsibility for these balances. The change aligns with the operational structure of the plan and does not represent a Change to or within the Financial Reporting Entity under GASB 100, but rather a clarification and reallocation of reporting duties. This change affects the comparability of financial statement components between years, particularly in the Statement of Net Position. Management provides this explanation to support transparency in understanding year-over-year variances in total assets, liabilities, deferred resources, and net position.

Notes to Financial Statements *(Continued)*

December 31, 2024

Subrogation Recoverable

The Plan evaluates the value of potential subrogation recoverable in determining the reserve for unpaid claims and claims adjustment expenses. The nature of the recoverable is such that the length of collections, coverage of the member, and other parties with bona fide claim vary greatly from case to case. For this reason, the Company feels that although collections are probable, they are not reasonable estimates and therefore are not accrued for within the financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statement will sometimes report a separate

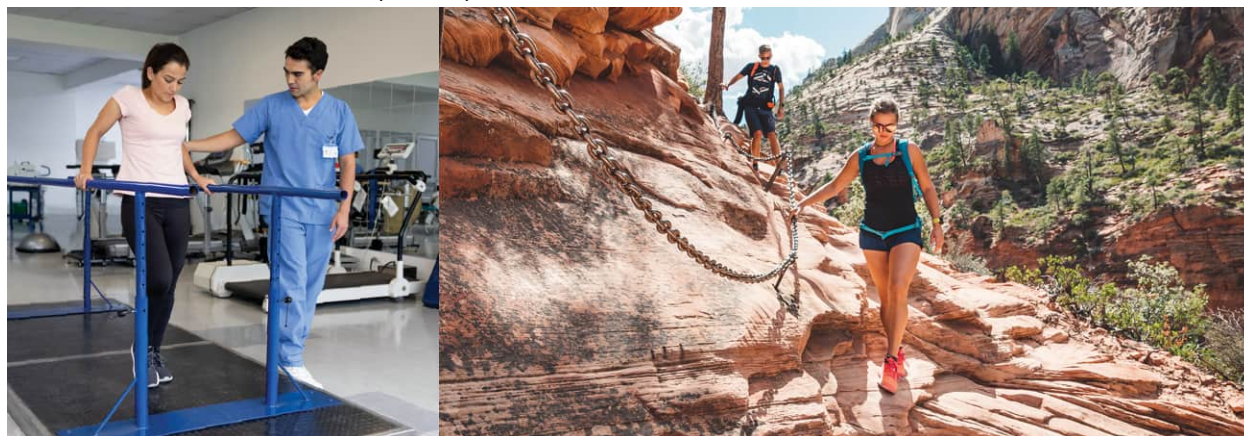
section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Reclassifications and Comparability

The current year includes a change in reporting that affects comparability; however, only current-year information is presented, and prior-year amounts have not been restated. No reclassifications were made to prior-year amounts.

Method of Accounting

The Program maintains records and accounts and prepares financial statements using fund accounting principles and the accrual basis of accounting, under which benefits and expenses are recognized when due and payable and revenues are recorded in the accounting period in which they are earned and become measurable.

**Note 2****Cash and Investments**

Listed below is a summary of the deposit and investment portfolios as of December 31, 2024 and 2023. Investing is governed by the prudent investor rule in accordance with statutes of the State of Utah. All investments of PEHP are considered to have been made in accordance with these governing statutes.

Deposits

Deposits of PEHP are carried at cost plus accrued interest. The carrying amount of the deposits, net of outstanding checks, is accounted for in "Cash and Cash Equivalents" on the Statements of Net Position, and is

(\$8,384,658), and (\$9,043,100) as of December 31, 2024 and 2023, respectively. The corresponding bank balance of the deposits was \$271,910 and \$598,502 as of as of December 31, 2024 and 2023, respectively. PEHP maintains non-interest bearing bank accounts at financial institutions. The standard FDIC insurance limit for each account is \$250,000 per depositor, per insured bank. To mitigate the risk of exceeding the FDIC insurance limit, PEHP participates in the IntraFi Network, which allows deposits to be distributed across multiple FDIC-insured banks, ensuring each deposit is within the FDIC insurance limit. Through IntraFi Network's IntraFi Certificate of Deposit Registry Services and the IntraFi Insured Cash Sweep (ICS), deposits are fully insured by the FDIC. As of December 31, 2024, \$250,000 of the deposits are insured by the FDIC standard coverage, and the remaining \$128,098,726 is covered by the IntraFi Network, ensuring full FDIC insurance for cash balances. The IntraFi Network

Notes to Financial Statements *(Continued)*

December 31, 2024

operates by splitting large deposits into small amounts and placing these amounts in deposit accounts at multiple banks within the network, ensuring that each deposit is below the FDIC insurance limit, thereby providing full coverage for the PEHP deposits.

PEHP's cash and cash equivalents consisted of the following: December 31, 2024, and 2023.

	2024	2023
Overnight repurchase agreements	\$ 128,904,915	\$ 134,122,685
Cash on deposit with operating bank	(8,384,658)	(9,043,100)
Cash on deposit with custodial bank	99,924,004	71,175,253
Total	\$ 220,444,261	\$ 196,254,838

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2024 and 2023, the overnight repurchase agreements of \$128,904,915 and \$134,122,685, respectively are uninsured and are collateralized with securities held by the pledging financial institution's trust department or agent but not in PEHP's name. The deposits with custodial bank and fund manager as of December 31, 2024 and 2023 were \$99,924,004 and \$71,175,253, respectively, and are uninsured and uncollateralized.

The carrying values of deposits and investments are reconciled to the amounts recorded in the Statements of Net Position as of December 31, 2024, and 2023 as shown to the right.

Investments

The schedules below provide information about the credit risk, interest rate risk, and concentration of credit risk associated with PEHP's fixed income investments as of December 31, 2024 and 2023, respectively.

	2024	2023
Cash and cash equivalents	\$ 220,444,261	\$ 196,254,838
Investments	392,987,649	375,873,165
Diversified funds measured at NAV	52,596,111	48,000,377
Invested securities lending collateral	6,285,442	889,204
Total	\$ 672,313,463	\$ 621,017,584

Investment Type

As of December 31, 2024

		Investment Maturities (in Years)					
	(In thousands)	Fair Value	Less Than 1	1-5	6-10	11-20	More Than 20
Asset-Backed Securities	\$ 27,592	9	3,871	196	17,539	5,977	
Corporate Bonds	130,804	21,807	75,472	31,997	1,528	—	
U.S. Government Agencies	4,269	—	4,048	221	—	—	
U.S. Treasuries	75,214	850	43,017	25,340	6,007	—	
Government-Backed Mortgage Securities	149,660	—	463	2,534	10,738	135,925	
Municipal Bonds	3,498	1,902	313	1,283	—	—	
Non-Government Backed CMO's	109	—	—	—	109	—	
Other Fixed Income	—	—	—	—	—	—	
Total Investments	\$ 391,146	24,568	127,184	61,571	35,921	141,902	

Notes to Financial Statements (Continued)

December 31, 2024

Investment Type As of December 31, 2023	Fair Value	Investment Maturities (in Years)				
		Less Than 1	1-5	6-10	11-20	More Than 20
Asset-Backed Securities	\$ 27,751	—	1,259	—	22,012	4,480
Corporate Bonds	147,788	21,463	8,280	58,331	59,714	—
U.S. Government Agencies	3,185	—	661	2,524	—	—
U.S. Treasuries	50,761	—	7,316	40,213	3,232	—
Government-Backed Mortgage Securities	139,199	—	86	2,647	12,604	123,862
Municipal Bonds	5,312	—	1,973	3,339	—	—
Non-Government Backed CMO's	125	—	—	—	125	—
Other Fixed Income	—	—	—	—	—	—
Total Investments	\$ 374,121	21,463	19,575	107,054	97,687	128,342

Interest Rate Risk

PEHP manages its exposure to fair value loss arising from increasing interest rates by complying with the following policy:

For the PEHP fixed income portfolio, the investment manager's portfolio will have an effective duration between 75-125% of the effective duration of the appropriate index. Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

PEHP compares the fixed income portfolio's effective duration against the Bloomberg U.S. Intermediate Aggregate Bond Index.

The allowable duration range was 3.35 to 5.59 and 3.35 to 5.59 as of December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the portfolio was within the policy guidelines.

Credit Risk Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is PEHP's policy to limit its investments to the top ratings issued by nationally recognized statistical rating organizations (NRSROs) so the total fixed income investment portfolio maintains an "A" or equivalent minimum rating. The ratings for PEHP's debt instruments as of December 31, 2024 and 2023 are presented on page 42.



Notes to Financial Statements (Continued)

December 31, 2024

Investment Type

As of December 31, 2024 (In thousands)

	Fair Value	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	NR
U.S. Treasuries	\$ 75,215	—	—	—	—	—	—	—	—	—	—	—	—	—	75,215
U.S. Government Agencies	4,268	1,047	—	—	—	—	—	—	—	2,997	—	—	—	—	224
Corporate Bonds	130,804	—	1,574	453	2,735	2,319	8,477	15,673	30,374	47,856	19,592	1,541	—	—	210
Government Mortgage-Backed Securities	149,661	—	—	—	—	—	—	—	—	—	—	—	—	—	149,661
Asset-Backed Securities	27,591	4,067	17,539	—	—	—	—	—	—	—	—	—	—	—	5,985
Municipal Bonds	3,498	313	—	—	1,283	—	—	1,902	—	—	—	—	—	—	—
Non-Government Backed CMO's	109	—	—	—	—	—	—	—	—	—	—	—	—	—	109
Other Fixed Income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total investments	\$ 391,146	5,427	19,113	453	4,018	2,319	8,477	17,575	30,374	50,853	19,592	1,541	—	—	231,404

Investment Type

As of December 31, 2023 (In thousands)

	Fair Value	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	NR
U.S. Treasuries	\$ 50,761	—	—	—	—	—	—	—	—	—	—	—	—	—	50,761
U.S. Government Agencies	3,185	328	—	—	—	—	—	—	—	2,850	—	—	—	—	7
Corporate Bonds	147,788	—	2,698	775	1,912	3,074	6,033	17,030	43,478	48,918	19,166	2,845	—	—	1,859
Government Mortgage-Backed Securities	139,199	—	—	—	—	—	—	—	—	—	—	—	—	—	139,199
Asset-Backed Securities	27,751	1,606	21,648	—	—	—	—	—	—	—	—	—	—	—	4,497
Municipal Bonds	5,311	316	—	—	3,338	—	—	1,657	—	—	—	—	—	—	—
Non-Government Backed CMO's	126	—	—	—	—	—	—	—	—	—	—	—	—	—	126
Other Fixed Income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total investments	\$ 374,121	2,250	24,346	775	5,250	3,074	6,033	18,687	43,478	51,768	19,166	2,845	—	—	196,449

Notes to Financial Statements *(Continued)*

December 31, 2024

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a portfolio's investment in a single issuer. PEHP limits the amount that can be invested in any one issuer. The following limits apply to the fixed income manager's portfolio:

- » U.S. Government and Agency Securities – no restriction
- » AAA/Aaa Securities – no more than 5% of an Investment Manager's assets at market with a single issuer
- » AA/Aa Securities – no more than 4% of an Investment Manager's assets at market with a single issuer
- » A/A Securities – no more than 3% of an Investment Manager's assets at market with a single issuer
- » BBB/Baa Securities – no more than 2% of an Investment Manager's assets at market with a single issuer

If a security is downgraded within the investment grade categories listed above, the manager has 30 days to sell enough of the security to comply with the single issuer guideline applicable to the new rating.

At the time of purchase, all issues shall be rated investment grade. If a security is downgraded to below investment grade, the Investment Manager shall place the securities in a "basket" of securities downgraded below investment grade. The downgraded securities shall remain in the "basket" until the Investment Manager decides to sell them or until the securities are upgraded to investment grade. At no time shall downgraded securities placed in the basket exceed 5% of total portfolio value unless the basket is full when a security is downgraded. If the basket is full when a security is downgraded, the Investment Manager has 30 days to sell securities from the basket in order to bring it back to the 5% threshold. At no time should more than 1% of an Investment Manager's assets at market be with a single below investment grade issuer.

All investments are within Program limits.

Securities Lending

PEHP participates in a securities lending program as authorized by Board policy, whereby securities are transferred to an independent broker or dealer in exchange for collateral in the form of cash, government securities, and irrevocable bank letters of credit equal to 102% of the market value of the domestic securities on loan with a simultaneous agreement to return the collateral for the same securities in the future.

PEHP's custodial bank (Northern Trust) serves as the securities lending agent. Securities under loan are maintained in PEHP's financial records and are classified in the preceding summary of investments. A corresponding liability is recorded for the market value of the collateral received. Under provision of GASB statement No. 28, collateral which cannot be pledged or sold is not recorded as investments nor is the related liability recorded in the financial statements. At December 31, 2024, and 2023, PEHP had pledged non-cash collateral of \$6,285,442 and \$889,204, respectively.

As of December 31, 2024 and 2023, PEHP had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan as of December 31, 2024 and 2023 were \$6,144,726 and \$872,940 respectively, and the cash and noncash collateral received for those securities on loan was \$1,055,956 and \$889,204, respectively. Under the terms of the lending agreement, PEHP is indemnified against loss should the lending agent be unable to recover borrowed securities and distributions, due to borrower insolvency or failure of the lending agent to properly evaluate the creditworthiness of the borrower. In addition, PEHP is indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely basis.

All securities loaned can be terminated on demand by either PEHP or the borrower. Cash collateral is invested in the lending agent's short-term investment pool. The short-term investment pool guidelines specify that a minimum of 25% of the invested cash collateral be available each business day, and the dollar weighted average maturity of holding should not exceed 60 days.

The relationship between the maturities of the short-term investment pool and PEHP's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which PEHP cannot determine. Since the securities lending collateral is in a pool maintained by the custodial bank, it was not necessary to report the total income and expenses of the security lending.

Notes to Financial Statements (Continued)

December 31, 2024

Fair Value of Financial Instruments

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as shown below at December 31, 2024 (in thousands).

Debt and equity securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values

securities based on their relationship to benchmark quoted prices. Level 3 valuation techniques use significant inputs that are unobservable. Level 3 debt securities use proprietary information or single source pricing.

Diversified Funds

The fair value of the investments in this type have been determined using the NAV per share of the investments. The diversified funds are commingled funds of institutional quality across a broad range of asset types. There are no unfunded commitments and there are no restrictions on redemption frequency.

Investments Measured at Fair Value

As of December 31, 2024

(in thousands)

Investments	Fair Value	Level 1 Input	Fair Value Measurements Using	
			Level 2 Inputs	Level 3 Inputs
Asset-Backed Securities	\$ 27,591	—	17,734	9,857
Corporate Bonds	130,804	—	130,804	—
U.S. Government Agencies	4,268	—	4,268	—
U.S. Treasuries	75,215	—	75,215	—
Government Backed Mortgage Securities	149,661	—	131,219	18,442
Municipal Bonds	3,498	—	3,498	—
Non-Government Backed CMO's	109	—	—	109
Other Fixed Income	5,710	5,458	—	252
Equities	1,840	1,840	—	—
Total investments	\$ 398,696	7,298	362,738	28,660

Investments Measured at NAV (in thousands)	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Diversified funds	\$ 52,596	—	Daily	None

The fair value of this fund investment has been determined using the net asset value per share. The fund is comprised of a diversified mix of investment securities.

Notes to Financial Statements (Continued)

December 31, 2024

Note 3

Claims Payable and Benefit Reserves

Claims payable represent claims which have been reported to PEHP as of the valuation date. A liability for the estimate of claims incurred but not reported to PEHP as of the valuation date has also been recorded.

The following schedule reflects changes in the total claims payable and benefit reserves for the years ended December 31:

	2024	2023
Claim Liability Balance, Beginning of Year	\$ 203,842,055	\$ 177,159,000
Incurred claims related to:		
Current Year	1,083,881,624	990,797,196
Prior Year	5,758,036	(2,730,003)
Total incurred claims	1,089,639,660	988,067,193
Paid claims related to:		
Current Year	964,255,090	862,885,897
Prior Year	124,891,222	98,498,241
Total paid claims	1,089,146,312	961,384,138
Claim Liability Balance, End of Year	\$ 204,335,403	\$ 203,842,055
Components of Claim Liability Balance as reported above		
Claims Payable	\$ 60,372,848	\$ 85,507,409
Estimated liability for claims incurred but not reported	78,060,916	54,413,334
Life insurance reserves	53,938,568	54,143,563
Long-term disability claims reserves	11,877,220	9,507,609
Long-term disability medical premium reserves	85,851	270,140
Total	\$ 204,335,403	\$ 203,842,055

Note 4

Policyholder Experience Dividends

	Dividends Paid Current Year	Dividends Payable at End of Year
Medical	\$ 2,782,074	\$ 3,403,768
Dental	(18,022)	—
Long-term disability	5,237,771	—
Term Life	(31)	—
Total experience dividends	\$ 8,001,792	\$ 3,403,768

During the years ended December 31, 2024 and 2023 the Board authorized experience dividends to participating agencies and members of \$8,001,792 and \$8,232,045 from claims contingency reserves accumulated by PEHP through the end of the prior fiscal period. Of these \$3,403,768 and \$3,022,249 were payable as of December 31, 2024 and 2023, respectively.

For medical and dental plans, the board relies on actuarially determined ranges to determine the amount of claims contingency reserves available for experience dividends. PEHP may distribute experience dividends to participating employer groups in the Long-Term Disability and Term Life programs. Dividends are considered when actual claim experience, reserve levels, and overall financial performance results in surplus reserves beyond those required to meet future benefit obligations. Dividends are recommended by the Plan's actuary only when reserves are deemed sufficient and excess funding is available. Such dividends are granted at the discretion of the Board and are made in accordance with Title 49 of the Utah Code.

The federal government is refunded its allocated share of the reserves for state agency risk pools in excess of 60 days of allowable expenditures. The state of Utah submits a calculated allocation amount to the federal cost allocation service, who accepts the federal refund amount. At December 31, 2024, and 2023, claims contingency reserves accumulated by PEHP included Federal excess reserve amounts of \$0 and \$0 respectively.

Dividends are approved in accordance with dividend policy and may vary year to year depending upon the funding status, actuarial results, and other relevant financial considerations. Dividends declared and paid during the year are reported as a reduction in net position. Dividends declared but unpaid at year-end are reported as a liability on the Statement of Net Position. The following table summarizes the experience dividends expenses and payable for December 31, 2024.

Notes to Financial Statements *(Continued)*

December 31, 2024



Note 5

Related Party Transactions

PEHP makes payments to the Systems for administrative expenses. Payments totaled \$47,271,141 and \$43,067,650 during the years ended December 31, 2024, and 2023, respectively. At December 31, 2024, and 2023, the cash due to the Systems for PEHP is \$11,223,361 and \$4,688,982, respectively, as due to other agencies and other liabilities on the Statement of Net Positions. As a component unit of the State of Utah, premium and loss contributions from the State are related party transactions. Detailed amounts are included in the Supplementary Information section of this report.

Note 6

Commitments and Contingencies

PEHP has been or may be named as a defendant in certain lawsuits. While PEHP cannot predict the results of such actions, management believes that the liability, if any, resulting from such claims will not have a material effect on PEHP's operations or financial position. Losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated claims liabilities.

Notes to Financial Statements (Continued)

December 31, 2024

Note 7

Capital Assets

PEHP is working to replace its current claims and policy software system. This program replaces core business applications in order to improve customer service, enhance system maintainability, provide enhanced reporting and accessibility to information, and enable PEHP to remain current with technology.

This program is being completed in phases by plan year renewal and is identified as the software construction in progress in capital asset table below. The software program will be fully implemented by July 2025 and will be amortized over 10 years. Right-to-use intangible assets are amortized over the contract term from 2 to 16 years.

Capital Assets

				December 31, 2024
				Equipment
	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	\$ 46,927	—	(29,572)	17,355
Computer equipment	17,360	—	—	17,360
Software construction in progress	9,364,316	3,792,629	—	13,156,945
Right to use assets	24,948,584	—	—	24,948,584
Vehicles	382,238	—	(84,519)	297,719
Total	\$ 34,759,425	3,792,629	(114,091)	38,437,963
				Accumulated Depreciation
	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	\$ 46,927	—	(29,572)	17,355
Computer equipment	17,360	—	—	17,360
Software construction in progress	—	—	—	—
Right-to-use assets	1,812,763	1,761,362	—	3,574,125
Vehicles	382,238	—	(84,519)	297,719
Total	\$ 2,259,288	1,761,362	(114,091)	3,906,559
Net capital assets				\$ 34,531,404

				December 31, 2023
				Equipment
	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	\$ 46,927	—	—	46,927
Computer equipment	17,360	—	—	17,360
Computer software	6,259,698	3,104,618	—	9,364,316
Right-to-use assets	—	24,948,584	—	24,948,584
Vehicles	382,238	—	—	382,238
Total	\$ 6,706,223	28,053,202	—	34,759,425
				Accumulated Depreciation
	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	\$ 46,927	—	—	46,927
Computer equipment	17,360	—	—	17,360
Computer software	—	—	—	—
Right-to-use assets	—	1,812,763	—	1,812,763
Vehicles	382,238	—	—	382,238
Total	\$ 446,525	1,812,763	—	2,259,288
Net capital assets				\$ 32,500,137

Notes to Financial Statements (Continued)

December 31, 2024

Note 8

Net Investment Income

Net investment income consisted of the items shown at right for the years ended December 31:

	2024	2023
Interest dividends, and other income	\$ 24,633,844	15,630,563
Net appreciation (depreciation) in fair value of investments	3,792,653	21,970,825
Total income from investment activity	28,426,497	37,601,388
Less: investment expenses	449,603	422,100
Net investment income	\$ 27,976,894	37,179,288

Note 9

Risks and Uncertainties

PEHP is exposed to various risks in the normal course of business, including claim risk, operational risk, market risk, and cybersecurity risk. PEHP manages these risks through a combination of internal controls, insurance coverage, and oversight procedures. As of the financial statement date, management is not aware of any material risk exposures that would affect the financial position or require additional disclosure.

Note 10

SBITA Commitments

PEHP participates in Subscription-Based IT Arrangements (SBITAs). Although the terms vary, most SBITAs are subject to annual appropriations to continue the SBITA obligations. If an appropriation is reasonably assured, SBITAs are considered noncancellable for financial reporting purposes. SBITA terms also include any options to extend that are reasonably certain will be exercised. In the Statements of Net Position, software subscription assets is included with the capital assets, net of accumulated depreciation, and a corresponding liability are recorded at the inception of the SBITA at the present value of the future minimum payments. The principal portion of the SBITA payment reduces the liability, and the interest portion is expensed. The liability is reported in other liabilities in the Statement of Net Position. In the Statements of Net Position, the principal and interest portions of the SBITA payments are recorded as expenditures. PEHP subscription liability payments were \$1,221,893 in principal and \$1,001,899 in interest for fiscal year 2024. The rate used is the line of credit rate which is 4.08%. See Note 7 for additional information on software subscription assets, including accumulated amortization. Principal and interest required payments for software subscriptions are as follows:

Right-to-Use Assets

Year	Total Interest Required	Total Principal Required	Total Amount Required
2025	945,000	1,279,000	2,224,000
2026	886,000	1,088,000	1,974,000
2027	837,000	1,026,000	1,863,000
2028	789,000	1,074,000	1,863,000
2029	739,000	1,094,000	1,833,000
2030-2034	2,878,000	6,550,000	9,428,000
2035-2039	1,055,000	9,041,000	10,096,000
Total	\$ 8,129,000	21,152,000	29,281,000

PEHP

SUPPORTING IT'S MEMBERS BY:

- » Doing the Right Thing
- » Providing Helpful Tools
- » Being Fair and Consistent
- » Helping Members Make Decisions
- » Going the Extra Mile
- » Improving Health and Wellness
- » Keeping Members Out of the Middle



Required Supplementary Information

For Fiscal Year Ended December 31, 2024

10-Year Loss Development (Unaudited)

(In thousands)

The following table compares the medical Program's earned revenues net of reinsurance and investment income to related costs of losses and loss adjustment expenses, net of reinsurance, assumed by PEHP.

The table is defined as follows: (1) shows each year's net earned premium, other operating revenues and interest income, (2) shows each year's other operating expenses including overhead and loss adjustment expenses not allocable to specific claims, (3) shows incurred losses and allocated loss adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred, (4) shows the cumulative amounts paid as of the end of successive years for each accident year, (5) shows the re-estimated amount for loss assumed by excess insurers or reinsurers as of the end of the current year for each of the accident years, (6) shows how each coverage year's incurred losses increased or decreased as of the end of the successive years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims, (7) compares the latest re-estimated incurred loss amounts to the amounts originally established. Information for PEHP is only available in the format shown on pages 48-49 for the years presented.

	2015	2016
1) Required premiums, investment revenue, and interest income:		
Premiums earned	514,357	570,033
2) Unallocated expenses	28,013	29,180
3) Estimated incurred losses		
Incurred	498,908	539,617
Ceded	—	—
Net Incurred	498,908	539,617
4) Paid (cumulative) as of:		
End of policy year	452,298	489,747
One year later	497,795	539,600
Two years later	496,845	539,214
Three years later	496,435	538,631
Four years later	—	—
Five years later	—	—
Six years later	—	—
Seven years later	—	—
Eight years later	—	—
Nine years later	—	—
5) Reestimated ceded losses and expense	498,908	539,617
6) Reestimated incurred losses and expenses		
End of policy year	498,908	539,617
One year later	497,686	539,523
Two years later	496,790	539,159
Three years later	496,435	538,631
Four years later	—	—
Five years later	—	—
Six years later	—	—
Seven years later	—	—
Eight years later	—	—
Nine years later	—	—
7) Increase (decrease) in estimated incurred losses and expenses from end of accident year	(2,473)	(986)

See Independent Auditor's Report.

	2017	2018	2019	2020	2021	2022	2023	2024
	637,214	695,851	754,095	797,527	821,244	852,984	958,441	1,008,234
	31,077	33,260	34,355	36,300	36,673	37,759	41,129	42,211
	598,659	650,304	712,884	737,376	831,099	843,276	907,210	998,168
	—	—	—	—	—	—	—	—
	598,659	650,304	712,884	737,376	831,099	843,276	907,210	998,168
	—	—	—	—	—	—	—	—
	547,899	598,239	652,539	639,492	733,566	748,229	775,622	858,041
	598,435	652,378	711,613	739,114	828,072	846,825	900,347	—
	597,726	652,332	711,189	741,975	828,346	847,861	—	—
	597,539	652,210	710,740	741,647	827,861	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	598,659	650,304	712,884	737,376	831,099	843,276	907,210	998,168
	—	—	—	—	—	—	—	—
	598,659	650,304	712,884	737,376	831,099	843,276	907,210	998,168
	598,415	652,672	711,686	742,400	828,614	848,748	915,190	—
	597,726	652,339	711,053	741,838	828,407	847,802	—	—
	597,566	652,193	710,721	741,703	827,266	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	(1,093)	1,889	(2,163)	4,327	(3,833)	4,526	7,980	—

Investments

Report on Investment Activity

UTAH STATE RETIREMENT BOARD

UTAH RETIREMENT SYSTEMS

560 East 200 South
Salt Lake City, Utah 84102-2044
801-366-7700
800-365-8772
801-366-7734 FAX

DANIEL D. ANDERSEN
EXECUTIVE DIRECTOR

May 31, 2025

Utah State Retirement Board
560 East 200 South
Salt Lake City, UT 84102-2044

Dear Members of Utah Retirement Systems:

Despite continued geopolitical turmoil and the uncertainty associated with national elections in over 60 countries, global financial markets marched almost uniformly higher in 2024. In the U.S., stock prices jumped over 20% for the second consecutive year due to surprisingly resilient economic growth and more accommodative monetary policy from the Federal Reserve. Equity gains were also realized globally, with only Brazil suffering double-digit stock market losses due to its poor combination of fiscal policy mistakes and a sharp domestic currency depreciation. Rampant speculation in crypto assets returned too, as the long-awaited approval of a spot ETF and anticipated regulatory relief drove Bitcoin prices up 120% last year. Given its broad diversification profile, the URS Defined Benefit trust fund (officially, the Utah State Retirement Investment Fund, but referenced here as the "DB Fund") participated as expected in 2024's bull market run, ending the year with a total return that exceeded its actuarial assumption.

Year in Review

While U.S. elections dominated headlines last year, Federal Reserve policy was most impactful in terms of 2024 market performance. After raising short-term interest rates to a two-decade high in response to 2022's post-pandemic inflation spike, the Fed paused its rate hike campaign in the second half of 2023 and remained on hold throughout the first half of last year. As 2024 unfolded, consumer price inflation continued to moderate toward the Fed's hallowed 2% annual target, and the previously robust U.S. labor market cooled without collapsing. By September, the steady albeit somewhat uneven progress in these inflation and employment trends gave the Fed sufficient confidence to cut short-term interest rates by a half percentage point. Two months later, Republicans swept U.S. elections and Donald Trump returned to the White House on a platform that included American energy independence, aggressive border security and broad regulatory reform.

Equity markets responded positively to both U.S. election results and the Fed's policy pivot. For example, the S&P 500, a broad index of large U.S. company shares, advanced 23.3%, while the tech company-laden NASDAQ Composite vaulted 29.6% last year. International share prices rallied too, with developed and emerging country stock indices up 13.2% and 17.3%, respectively. Bond markets, however, struggled, particularly as the Republican sweep became apparent. The Trump administration's deregulation efforts should prove stimulative to domestic growth, but initial assessments of its tariff and deportation policies presume inflationary consequences. The specter of stronger growth and more inflation spooked bond investors: The Bloomberg Aggregate Bond Index, a bellwether bond benchmark comprised of investment-grade corporate and U.S. Treasury securities, barely broke even last year with a measly 1.3% return.

Investments *(Continued)*



Like bonds, investment performance among real asset categories was modest. Oil prices were essentially flat last year while a broader basket of commodities realized a small 2.6% gain. Real estate performance varied by region and category, but an aggregate composite of U.S. properties advanced only 1.1% last year. In contrast, and driven primarily by central bank purchases, interest rate cuts, and more geopolitical strife, gold prices surged 27.7% in 2024, the biggest jump since 2010. And despite two interest rates cuts from the Fed, the U.S. dollar strengthened 7.1% in 2024, reflecting continued investor confidence in growth prospects for the world's largest economy.

Investment Results

Net of expenses, the DB Fund advanced 7.34% last year, comfortably above its 6.85% actuarial assumption. Its funded status, as determined on a fair market value basis, rose to 95.1% on December 31, 2024, up slightly from 94.4% a year earlier. The fund's 2024 investment performance ranked in the 82nd percentile of U.S. public pension plans, an outcome consistent with its deliberately defensive positioning, while its current funded status remains near the very top of its public plan peer group.

The DB Fund's public equity portfolio, which comprised 34.9% of fund assets last year, advanced 14.3% in 2024, underperforming the 16.3% gain registered by that portfolio's FTSE Global All Cap benchmark. Bonds and other fixed income securities comprised 15.5% of DB Fund assets in 2024 and recorded gains of 1.6%, beating the corresponding benchmark's 1.2% advance.

The DB Fund's private equity portfolio was marked at 11.8% of total fund assets on December 31, 2024, and contributed a modest 4.7% return to total fund results last year, significantly behind its Russell 3000 + 2.5% benchmark, which ended 2024 up 26.3%.

Real assets, which include real estate, timber, and agriculture, as well as investments in energy, mining, and infrastructure, comprised 18.9% of DB Fund value last year and ended 2024 with an aggregate return of 2.8%. This performance included a 9.6% contribution from the fund's dedicated energy investments, which benefitted from continued geopolitical turmoil and persistent economic growth among most Western economies. Other diversifying investments include the DB Fund's Absolute Return Portfolio (ARP), which comprised approximately 14.3% of total fund value last year and generated a 7.1% return, lagging its benchmark's 10.3% result. As now described annually, the ARP is among the DB Fund's more defensive elements, so its underperformance in a strong bull market for stocks is a predictable and expected outcome.

Looking Ahead

At the time of this writing (early April 2025), the post-election euphoria that drove U.S. stock prices to all-time highs earlier this year is now ancient history. Consternation over the Trump administration's reciprocal tariffs has catalyzed the first 10% correction in large company U.S. stock prices since mid-2023, while small company shares officially entered bear market territory, with price drops exceeding 20%. Current economic trends remain stable, but cautionary signs of "uncertainty fatigue" have emerged in both surveys and sentiment indicators. For example, the Purchasing Managers Index of manufacturing activity has slowed while consumers' near-term inflation expectations have risen. Any extended halt or outright reversal in last year's progress on inflation will constrain the Fed's ability to lower interest rates further. Similarly, persistent ambiguity on trade policy will dampen or perhaps extinguish the animal spirits that support business confidence and drive economic expansion.

Investments *(Continued)*



Internationally, some initial progress has been achieved in ceasefire negotiations between Russia and Ukraine, but full-scale hostilities in Gaza have resumed. Accordingly, a peace dividend of any consequence appears unlikely in the coming months. On the domestic front, the Trump administration has explicitly acknowledged its narrow governing majority by withdrawing its nomination of Representative Elise Stefanik as U.S. ambassador to the United Nations. This geopolitical fragility, both at home and abroad, requires heightened vigilance in assessing risks to global growth, corporate earnings, interest rates and currencies.

The Trump administration is pursuing a set of policy changes that amount to an extraordinarily ambitious but equally dangerous rebalancing of fiscal priorities. The announced tariffs, even if implemented perfectly, portend renewed inflationary pressures, as rising import costs incentivize domestic producers to raise prices too. On the other hand, DOGE-related reductions in federal spending, soon approaching the \$1 trillion level in earmarked cuts, would likely have material, deflationary impacts. Regulatory reform, particularly in energy markets, could provide another powerful offset to tariff-related price increases.

Against this high wire act is the underlying challenge of secular federal budget deficits, which are currently tracking along an unsustainable trajectory. Except for Social Security, annual interest expense now eclipses all other categories of federal spending (e.g., defense, Medicaid, Veterans' benefits, etc.). Threading this tight fiscal needle will become even more difficult as Republicans attempt to honor their collective campaign promise of extending soon-expiring tax cuts passed during the first Trump administration. No wonder gold prices have jumped almost 40% in the last year alone!

Conclusion

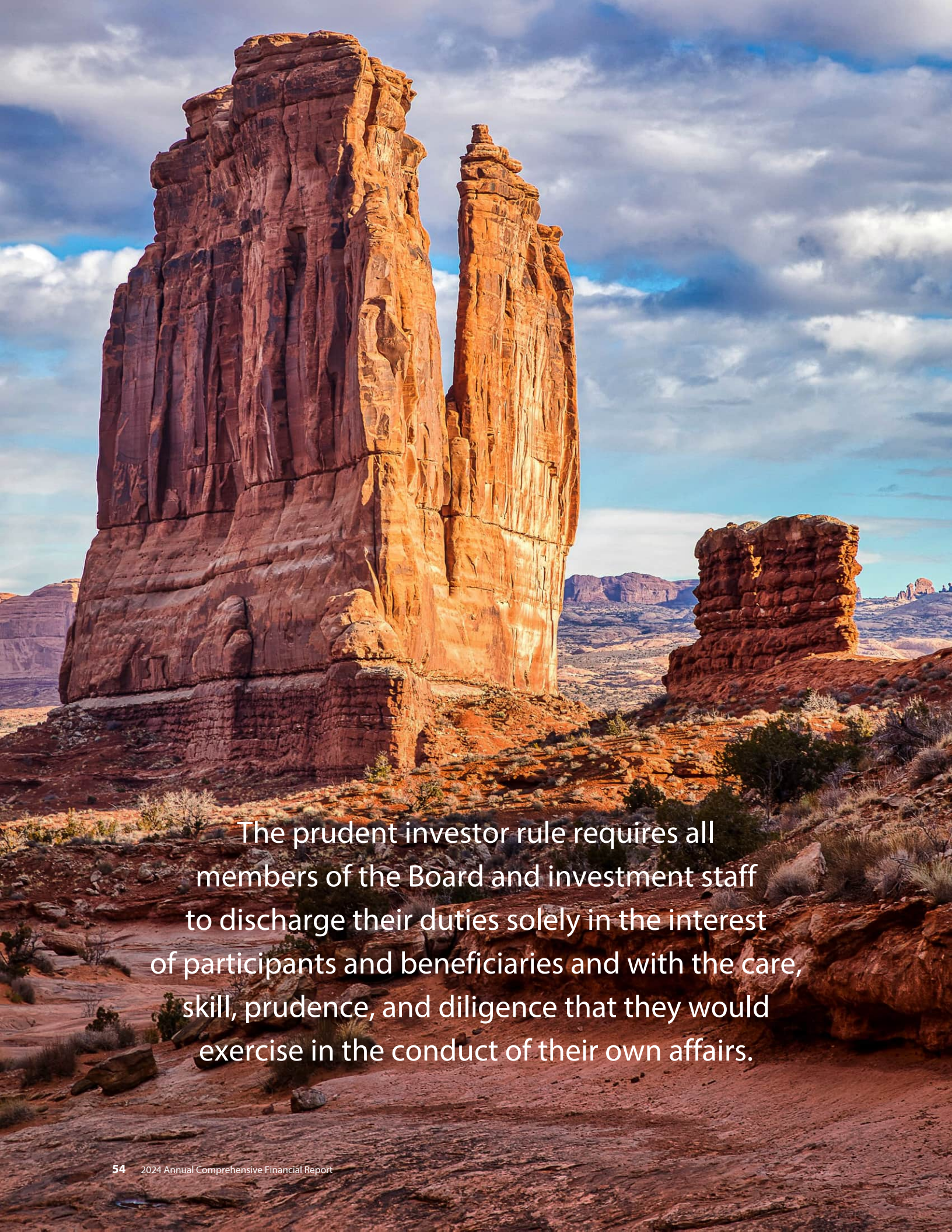
After good results in 2023, last year's investment performance provided the second consecutive year of improved DB Fund solvency. As described in previous annual letters, our intentionally "risk aware" approach to asset allocation, portfolio construction, and manager selection is designed to keep fund performance consistent with peers and market averages during bull markets but hold up better (i.e., lose less money) when those same markets head south. This asymmetric return profile (average upside results, better than average downside results) will generate a higher overall return at which DB Fund capital compounds. More simply put, and as ratified by the Utah State Retirement Board, our approach prioritizes long-term fund solvency over short-term performance.

The Trump administration's furious pace of new domestic initiatives and its dramatic departure from the foreign policy status quo has produced the highest level of market volatility since the sharp-but-short COVID bear market of 2020. Fortunately, the URS DB Fund was carefully built to withstand such market tumult, and we are not making any significant changes to either asset allocation or portfolio construction. Moreover, my staff and I work under perhaps the best legislatively endowed governance model in America, an advantage that continues to accrue handsomely in the form of both a high peer group ranking and consistent success securing URS members' retirement benefits.

Sincerely,

John D. Skjervem
Chief Investment Officer
Utah Retirement Systems





The prudent investor rule requires all members of the Board and investment staff to discharge their duties solely in the interest of participants and beneficiaries and with the care, skill, prudence, and diligence that they would exercise in the conduct of their own affairs.

Investments *(Continued)*

Outline of Investment Policies

The governing body of the PEHP is the seven member Utah State Retirement Board (Board). The Board is composed of the Utah State Treasurer, who serves as an ex-officio member, and six trustees who are appointed by the Governor. Four board members are appointed for their investment expertise, and two members are appointed to represent employee and employer interests.

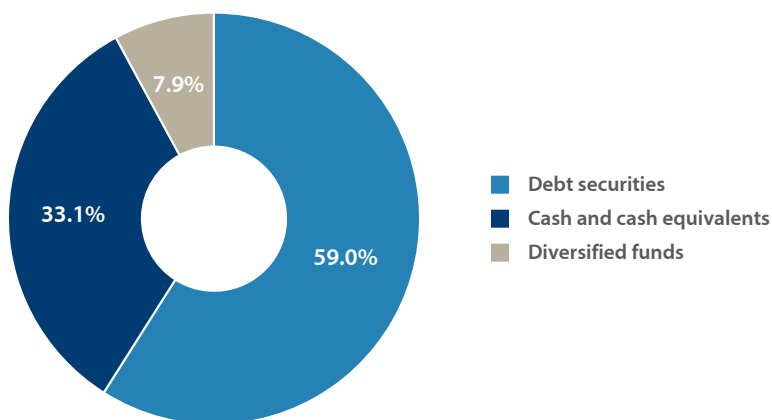
Statutes establish that this Fund will be invested in accordance with the “prudent investor rule.” The prudent investor rule requires all members of the Board and investment staff to discharge their duties solely in the interest of participants and beneficiaries and with the care, skill, prudence, and diligence that they would exercise in the conduct of their own affairs. To this end, a Statement of Investment Policy and Performance Objectives has been created for PEHP and adopted by the Board. The investment objectives are as follows:

- » Preserve capital
- » Maintain a risk level commensurate with the expected returns

- » Insure that funds are invested in a timely manner
- » Determine appropriate investment periods to insure funds are available for future liabilities
- » Maximize returns based on the time periods the funds are available for investment

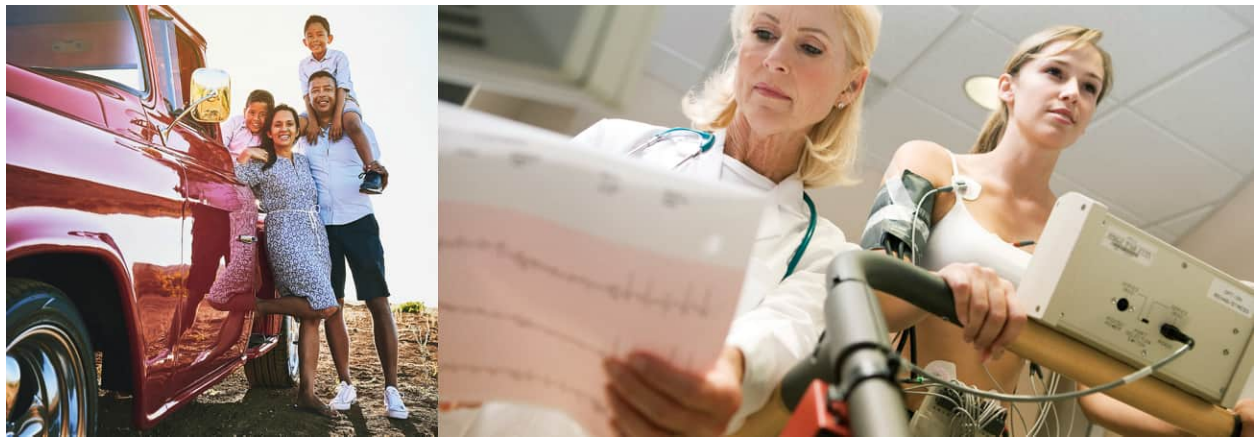
Investment return calculations are prepared using a time-weighted rate of return.

The allocation of assets as reported to the board are as follows: Cash and cash equivalents 33.1%, Debt securities 59.0%, Diversified funds of 7.9%.



Investments at Fair Value

December 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash and cash equivalents	25.7	24.8	34.3	28.0	27.1	20.0	22.5	31.7	33.1
Debt securities	74.3	75.2	65.7	72.0	72.9	71.0	69.2	60.6	59.0
Diversified funds	—	—	—	—	—	9.0	8.3	7.7	7.9
	100.0%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Investments (Continued)

Public Employees Health Program

Comparative Investment Results

Year Ending December 31, 2024

Investment Option

Comparative Index	1-year	3-year	5-year
Cash and cash equivalents	5.23%	3.86 %	2.06%
<i>Custom cash benchmark *</i>	5.47	3.94	2.46
Fixed Income	3.20	0.08	1.33
<i>Bloomberg US Intermediate Aggregate Index</i>	2.47	(0.83)	0.33
Diversified funds **	9.57	N/A	N/A
<i>Custom diversified benchmark</i>	8.87	NA	NA
Total Fund ***	4.06	0.70	1.66
<i>Fund custom benchmark</i>	2.43	(1.25)	0.36

* Custom cash benchmark: 70% ICE BoA 0-1 Year AAA-A US Corporate Index (C01A) / 30% ICE BofA 0-1 Year US Treasury Index (G0QA)

** Custom diversified benchmark = URS IPS Benchmark = 31% Russell 1000 Index, 20.4% Blmbg Aggregate, 13.2% MSCI Ex US, 13% NCREIF NFI-ODCE Eq Wt Net, 6.8% Russell 2000 Index, 6.2% Blmbg TIPS 1-10 Yr., 2.4% 3-month Treasury Bill, 2.4% 1-3 Yr Govt/Cr Bd Idx, 1.8% S&P/LSTA Lev Loan, 1.8% Blmbg HY Corp Cash Pay and 1% MSCI US REIT Index (Net)

*** Fund custom benchmark: 10.33% custom cash benchmark, 79.6% BBG US Intermediate Aggregate, 10.07% Diversified benchmark

Investments (Continued)

List of Largest Assets Held

December 31, 2024

Largest Debt Security Holdings

Description	Par Value	Fair Value
United States Treasury Note 3.75% 06-30-2030	\$ 15,634,000	15,122,231
SLM Student Loans CL A-7A 1-25-2041	9,856,709	9,857,230
United States Treasury Note 4.0% 7-31-2030	9,355,000	9,157,668
FHLMC Pool #RA7194 3.5% 4-01-2052 BEO	9,113,587	8,096,874
FNMA Pool #CB3594 3.5% 05-01-2052 BEO	8,345,728	7,418,994
United States Treasury Notes 4.375% 5-15-2034	7,500,000	7,386,328
Federal National Mortgage Association 2% 2-01-2051	7,462,667	5,898,684
FNMA Pool CA6902 2.0% DUE 9-01-2050	7,293,941	5,741,551
Freddie Mac RA9436 5.5% 7-01-2053	7,258,289	7,175,137
FNMA Pool FM7599 3.5% 1-01-2051 BEO	6,974,841	6,237,694

Schedule of Investment Fees

Investment advisor fees:*		
Cash and cash equivalents	\$	17,550
Debt securities		382,414
Diversified funds		49,639
Total investment advisor fees	\$	449,603

*Represents fees that are invoiced and paid directly by URS. These numbers do not represent all management, performance, or other fees charged directly by investment advisors. These and other investment related fees are netted from returns.

PEHP Investment Consultants

Dodge & Cox
555 California Street
San Francisco, CA 94104

Callan Associates, Inc.
101 California Street
Suite 3500
San Francisco, CA 94111

Blackrock Financial
Management
5 East 52nd Street
New York, New York 10055

Northern Trust Company
50 South LaSalle Street
Chicago, IL 60675

Public Employees Health Program

Statistical Information

Public Employees Health Program

Schedule of Changes in Net Position — PEHP Programs

Year Ended December 31

Plan	Year		Beginning Net Position	Premiums Earned and Service Fees, Net of Refunds, Misc Income	Federal Subsidy	Employer Contributions	Net Investment Income	Total Revenues	Claims
Medical Program	2017	\$	161,665,364	616,327,475	15,381,086	—	5,505,254	637,213,815	572,192,268
	2018		189,015,281	680,826,597	13,603,756	—	1,421,106	695,851,459	616,825,742
	2019		228,464,059	725,225,526	15,862,210	—	13,007,263	754,094,999	664,828,723
	2020		262,130,912	767,094,257	15,981,550	—	14,450,922	797,526,729	672,515,577
	2021		290,499,715	813,528,805	18,265,420	—	(2,072,408)	829,721,817	804,162,806
	2022		250,481,916	854,368,087	18,369,701	—	(19,753,937)	852,983,851	813,687,091
	2023		252,552,339	925,005,864	14,963,087	—	17,267,972	957,236,923	844,662,167
	2024		283,827,130	978,894,878	17,090,920	—	12,248,016	1,008,233,814	961,373,627
Dental Program	2017	\$	7,931,122	29,268,440	—	—	221,236	29,489,676	26,232,272
	2018		5,408,346	29,046,865	—	—	52,350	29,099,215	26,797,638
	2019		6,485,031	30,003,604	—	—	429,111	30,432,715	28,188,373
	2020		6,960,230	30,560,203	—	—	478,029	31,038,232	25,020,752
	2021		9,935,943	31,061,050	—	—	(66,524)	30,994,526	28,406,461
	2022		9,830,481	31,595,726	—	—	(662,726)	30,933,000	28,716,522
	2023		7,715,717	31,813,014	—	—	579,323	32,392,337	31,740,432
	2024		7,123,338	32,710,641	—	—	410,836	33,121,477	32,568,097
Long Term Disability Program	2017	\$	7,450,481	8,266,192	—	—	1,027,606	9,293,798	4,277,983
	2018		7,424,535	7,953,824	—	—	457,317	8,411,141	5,084,603
	2019		8,468,083	7,760,090	—	—	3,720,820	11,480,910	3,698,907
	2020		18,274,068	8,052,257	—	—	4,072,448	12,124,705	3,212,218
	2021		23,485,412	8,431,983	—	—	(610,534)	7,821,449	3,684,070
	2022		26,832,664	9,309,980	—	—	(5,816,511)	3,493,469	2,817,550
	2023		27,318,330	12,018,097	—	—	5,084,523	17,102,620	2,329,641
	2024		44,044,001	14,974,138	—	—	3,605,768	18,579,906	2,860,181

Statistical Information *(Continued)*

Change in Unpaid Claims and Claimed Incurred but Not Reported	Experience Dividends	Total Insurance Benefits	Administrative Expenses and Other	Commissions	Total Expenses	Change in Net Position	Ending Net Position
893,049	5,701,630	578,786,947	28,169,464	2,907,487	609,863,898	27,349,917	189,015,281
613,688	5,703,602	623,143,032	30,133,224	3,126,425	656,402,681	39,448,778	228,464,059
7,975,697	13,268,290	686,072,710	30,877,872	3,477,564	720,428,146	33,666,853	262,130,912
14,706,077	45,636,364	732,858,018	31,692,050	4,607,858	769,157,926	28,368,803	290,499,715
18,718,639	10,185,453	833,066,898	32,175,708	4,497,010	869,739,616	(40,017,799)	250,481,916
(5,357,952)	4,825,181	813,154,320	33,180,093	4,579,015	850,913,428	2,070,423	252,552,339
31,938,497	8,232,045	884,832,709	35,952,308	5,177,115	925,962,132	31,274,791	283,827,130
(18,910)	2,782,074	964,136,791	37,327,774	4,883,289	1,006,347,854	1,885,960	285,713,090
15,887	4,002,253	30,250,412	1,762,040	—	32,012,452	(2,522,776)	5,408,346
(350,051)	(2,165)	26,445,422	1,427,824	149,284	28,022,530	1,076,685	6,485,031
9,373	133	28,197,879	1,455,592	304,045	29,957,516	475,199	6,960,230
1,041,874	287,932	26,350,558	1,476,038	235,923	28,062,519	2,975,713	9,935,943
898,608	—	29,305,069	1,500,377	294,542	31,099,988	(105,462)	9,830,481
2,388,488	—	31,105,010	1,543,322	399,432	33,047,764	(2,114,764)	7,715,717
(836,216)	—	30,904,216	1,643,787	436,713	32,984,716	(592,379)	7,123,338
(1,132,023)	(18,022)	31,418,052	1,769,576	387,197	33,574,825	(453,348)	6,669,990
(1,772,089)	5,495,730	8,001,624	1,313,708	4,412	9,319,744	(25,946)	7,424,535
(102,695)	1,118,283	6,100,191	1,264,128	3,274	7,367,593	1,043,548	8,468,083
(3,260,449)	2,612	441,070	1,233,855	—	1,674,925	9,805,985	18,274,068
(2,836,762)	5,241,000	5,616,456	1,296,905	—	6,913,361	5,211,344	23,485,412
(680,563)	—	3,003,507	1,470,690	—	4,474,197	3,347,252	26,832,664
(1,363,732)	—	1,453,818	1,553,985	—	3,007,803	485,666	27,318,330
(4,054,601)	—	(1,724,960)	2,101,909	—	376,949	16,725,671	44,044,001
2,748,084	5,237,771	10,846,036	1,445,681	45,616	12,337,333	6,242,573	50,286,574

Statistical Information (Continued)**Schedules of Changes in Net Position —
PEHP Programs** (Concluded)

Year Ended December 31

Plan	Year	Beginning Net Position	Premiums Earned and Service Fees, Net of Refunds, Misc Income	Federal Subsidy	Employer Contributions	Net Investment Income	Total Revenues	Claims
Term Life Program	2017	18,021,072	14,305,804	—	—	605,952	14,911,756	10,434,492
	2018	20,158,718	14,295,597	—	—	203,222	14,498,819	7,429,989
	2019	26,326,999	14,339,987	—	—	1,655,048	15,995,035	10,165,940
	2020	30,091,658	14,826,169	—	—	1,848,757	16,674,926	10,121,906
	2021	33,742,543	14,320,814	—	—	(270,386)	14,050,428	14,129,784
	2022	32,131,019	13,439,381	—	—	(2,576,893)	10,862,488	12,511,498
	2023	29,239,318	13,816,410	—	—	2,252,600	16,069,010	11,515,631
	2024	30,797,779	13,271,182	—	—	1,597,466	14,868,648	13,701,563
Retiree Life Program	2017	(14,723,058)	4,919,310	—	—	940,021	5,859,331	4,696,000
	2018	(15,559,874)	5,133,532	—	—	238,892	5,372,424	4,590,153
	2019	(17,288,620)	5,323,847	—	—	2,364,408	7,688,255	4,836,749
	2020	(13,387,365)	5,509,829	—	—	2,521,638	8,031,467	5,276,750
	2021	(19,526,623)	5,648,574	—	—	2,256,177	7,904,751	5,729,376
	2022	(5,695,772)	5,752,880	—	—	(6,040,099)	(287,219)	6,040,458
	2023	(13,640,003)	6,342,814	—	—	5,302,547	11,645,361	5,753,582
	2024	(6,839,916)	5,937,360	—	—	4,546,094	10,483,454	5,869,917
Reinsurance Program	2017	46,905,040	21,120,237	—	—	1,039,072	22,159,309	31,316,249
	2018	37,539,830	27,006,506	—	—	288,732	27,295,238	31,684,984
	2019	33,127,857	34,150,647	—	—	3,427,059	37,577,706	43,212,050
	2020	27,418,435	45,892,751	—	—	3,664,917	49,557,668	43,159,901
	2021	33,737,533	58,609,529	—	—	(494,212)	58,115,317	55,963,950
	2022	35,875,295	67,558,487	—	—	(4,830,833)	62,727,654	64,297,012
	2023	34,284,933	79,649,858	—	—	4,222,889	83,872,747	58,337,281
	2024	56,933,495	89,223,749	—	—	2,994,727	92,218,476	65,745,155

Statistical Information (Continued)

Change in Unpaid Claims and Claimed Incurred but Not Reported	Experience Dividends	Total Insurance Benefits	Administrative Expenses and Other	Commissions	Total Expenses	Change in Net Position	Ending Net Position
599,772	—	11,034,264	1,730,656	9,190	12,774,110	2,137,646	20,158,718
(864,215)	50	6,565,824	1,732,478	32,236	8,330,538	6,168,281	26,326,999
262,466	—	10,428,406	1,736,152	65,818	12,230,376	3,764,659	30,091,658
1,052,744	—	11,174,650	1,793,966	55,425	13,024,041	3,650,885	33,742,543
(318,580)	—	13,811,204	1,737,445	113,303	15,661,952	(1,611,524)	32,131,019
(710,397)	—	11,801,101	1,695,547	257,541	13,754,189	(2,891,701)	29,239,318
855,779	—	12,371,410	1,829,115	310,024	14,510,549	1,558,461	30,797,779
(1,091,536)	(31)	12,609,996	1,970,002	359,136	14,939,134	(70,486)	30,727,293
1,601,683	—	6,297,683	398,464	—	6,696,147	(836,816)	(15,559,874)
2,094,241	—	6,684,394	416,776	—	7,101,170	(1,728,746)	(17,288,620)
(451,839)	—	4,384,910	(597,910)	—	3,787,000	3,901,255	(13,387,365)
8,640,523	—	13,917,273	253,452	—	14,170,725	(6,139,258)	(19,526,623)
(11,915,310)	—	(6,185,934)	259,834	—	(5,926,100)	13,830,851	(5,695,772)
1,346,708	—	7,387,166	269,846	—	7,657,012	(7,944,231)	(13,640,003)
(1,220,404)	—	4,533,178	312,096	—	4,845,274	6,800,087	(6,839,916)
(12,267)	—	5,857,650	234,199	—	6,091,849	4,391,605	(2,448,311)
—	—	31,316,249	176,144	32,126	31,524,519	(9,365,210)	37,539,830
—	—	31,684,984	217	22,010	31,707,211	(4,411,973)	33,127,857
—	—	43,212,050	3,834	71,244	43,287,128	(5,709,422)	27,418,435
—	—	43,159,901	119	78,550	43,238,570	6,319,098	33,737,533
—	—	55,963,950	96	13,509	55,977,555	2,137,762	35,875,295
—	—	64,297,012	2,642	18,362	64,318,016	(1,590,362)	34,284,933
—	—	58,337,281	2,867,879	19,025	61,224,185	22,648,562	56,933,495
—	—	65,745,155	2,763,261	20,008	68,528,424	23,690,052	80,623,547

Statistical Information (Continued)**Public Employees Health Program****Schedule of Changes in Net Position —
PEHP Plans**

Year Ended December 31

Plan	Year		Premiums Earned and Service Fees, Net of Refunds, Misc Income	Federal Subsidy	Employer Contributions	Net Investment Income	Total Revenues	Claims
HRA Plan	2017	27,462,309	48,010	—	7,638,014	187,198	7,873,222	4,314,686
	2018	30,989,912	26,591	—	9,208,581	584,841	9,820,013	5,113,301
	2019	35,694,532	(377)	—	9,266,955	754,023	10,020,601	6,618,921
	2020	38,923,667	—	—	8,863,707	172,981	9,036,688	5,956,041
	2021	41,888,440	(125,462)	—	8,874,490	24,168	8,773,196	6,516,556
	2022	44,145,080	26	—	7,691,580	466,127	8,157,733	7,011,602
	2023	45,155,020	505	—	6,981,139	2,469,434	9,451,078	7,045,404
	2024	47,414,061	3,601	—	7,395,569	2,573,987	9,973,157	7,027,769
OPEB and Pension Plan	2017	(9,046,203)	—	—	—	—	—	—
	2018	(7,886,909)	—	—	—	—	—	—
	2019	(7,749,963)	—	—	—	—	—	—
	2020	(8,391,018)	—	—	—	—	—	—
	2021	(9,363,919)	—	—	—	—	—	—
	2022	(7,582,725)	—	—	—	—	—	—
	2023	5,221,535	—	—	—	—	—	—
	2024	(1,372,194)	—	—	—	—	—	—
All PEHP Plans	2017	245,666,127	694,255,468	15,381,086	7,638,014	9,526,339	726,800,907	653,463,950
	2018	267,089,839	764,289,512	13,603,756	9,208,581	3,246,460	790,348,309	697,526,410
	2019	313,527,978	816,803,324	15,862,210	9,266,955	25,357,732	867,290,221	761,549,663
	2020	362,020,587	871,935,466	15,981,550	8,863,707	27,209,692	923,990,415	765,263,145
	2021	404,399,044	931,475,293	18,265,420	8,874,490	(1,233,719)	957,381,484	918,593,003
	2022	386,017,958	982,024,567	18,369,701	7,691,580	(39,214,872)	968,870,976	935,081,733
	2023	380,264,464	1,068,646,562	14,963,087	6,981,139	37,179,288	1,127,770,076	961,384,138
	2024	461,927,694	1,135,015,549	17,090,920	7,395,569	27,976,894	1,187,478,932	1,089,146,309

2024

Statistical Information *(Concluded)*

Change in Unpaid Claims and Claimed Incurred but Not Reported	Experience Dividends	Total Insurance Benefits	Administrative Expenses and Other	Commissions	Total Expenses	Change in Net Position	Ending Net Position
—	—	4,314,686	30,933	—	4,345,619	3,527,603	30,989,912
—	—	5,113,301	2,092	—	5,115,393	4,704,620	35,694,532
—	—	6,618,921	172,545	—	6,791,466	3,229,135	38,923,667
—	—	5,956,041	115,874	—	6,071,915	2,964,773	41,888,440
—	—	6,516,556	—	—	6,516,556	2,256,640	44,145,080
—	—	7,011,602	136,191	—	7,147,793	1,009,940	45,155,020
—	—	7,045,404	146,633	—	7,192,037	2,259,041	47,414,061
—	—	7,027,769	156,488	—	7,184,257	2,788,900	50,202,961
—	—	—	—	(1,159,294)	—	(1,159,294)	1,159,294
—	—	—	—	(136,946)	—	(136,946)	136,946
—	—	—	—	641,055	—	641,055	(641,055)
—	—	—	—	972,901	—	972,901	(972,901)
—	—	—	—	(1,781,194)	—	(1,781,194)	1,781,194
—	—	—	—	(5,221,535)	—	(5,221,535)	5,221,535
—	—	—	(988,996)	—	(988,996)	988,996	6,210,531
—	—	—	(1,372,194)	—	(1,372,194)	1,372,194	—
1,338,302	15,199,613	670,001,865	32,422,115	2,953,215	705,377,195	21,423,712	267,089,839
1,390,968	6,819,770	705,737,148	34,839,793	3,333,229	743,910,170	46,438,139	313,527,978
4,535,248	13,271,035	779,355,946	35,522,995	3,918,671	818,797,612	48,492,609	362,020,587
22,604,456	51,165,296	839,032,897	37,601,305	4,977,756	881,611,958	42,378,457	404,399,044
6,702,794	10,185,453	935,481,250	35,362,956	4,918,364	975,762,570	(18,381,086)	386,017,958
(3,696,885)	4,825,181	936,210,029	33,160,091	5,254,350	974,624,470	(5,753,494)	380,264,464
26,683,055	8,232,045	996,299,238	43,864,731	5,942,877	1,046,106,846	81,663,230	461,927,694
493,348	8,001,792	1,097,641,449	44,294,787	5,695,246	1,147,631,482	39,847,450	501,775,144

Supplementary Information

Public Employees Health Program

Statement of Net Position by Program

As of December 31, 2024

	Medical	Dental	Long-Term Disability
Assets:			
Current Assets:	\$ 132,594,595	393,110	10,524,671
Cash and cash equivalents			
Receivables:			
Premiums and service fees, net			
Securities and interest receivable	51,064,422	3,637,280	1,012,347
Invested securities lending collateral	1,822,143	60,157	478,648
Other receivables	3,690,811	123,824	1,086,753
Total current assets	16,553,382	26,706	140,249
Total current assets	205,725,353	4,241,077	13,242,668
Noncurrent Assets:			
Investments	221,275,160	7,354,253	61,992,288
Capital assets (net of accumulated depreciation)	—	—	—
Total noncurrent assets	221,275,160	7,354,253	61,992,288
Total assets	427,000,513	11,595,330	75,234,956
Liabilities:			
Current liabilities:			
Claims payable	56,688,932	280,198	—
Estimated liability for claims incurred by not reported	61,815,967	4,370,733	11,874,216
Long-term disability claims reserves	—	—	—
Long-term disability medical premium reserves	—	—	—
Premiums payable	593,675	4,675	4,228
Unearned premiums	4,156,177	140,222	393
Investment accounts payable	—	—	—
Accrued expense payable	2,346,839	1,461	16,561
Taxes payable	11,066	4,227	(2,037)
Experience dividend payable	3,403,768	—	—
Security lending liability	3,690,811	123,824	1,086,753
Total current liabilities	132,707,235	4,925,340	12,980,114
Noncurrent Liabilities:			
Life insurance reserves	—	—	—
Long term disability claim reserves	—	—	11,877,220
Long term disability medical premium reserves	—	—	85,851
Due to other agencies and other liabilities	8,580,188	—	5,197
Total noncurrent liabilities	8,580,188	—	11,968,268
Total liabilities	141,287,423	4,925,340	24,948,382
Net position:			
End of year, restricted for claim contingency reserve	285,713,090	6,669,990	50,286,574
End of year, restricted for benefits	—	—	—
Total net position	285,713,090	6,669,990	50,286,574

Public Employees Health Program

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan (HRA)	OPEB and Pensions	Totals
\$ 6,537,412	\$ (2,662,388)	\$ 38,031,840	\$ 35,025,021	\$ —	\$ 220,444,261
684,681		1,007,125	—	—	57,405,855
239,273	—	413,278	338,769	—	3,352,268
481,465	—	902,589	—	—	6,285,442
5,895	—	60,672	(158)	—	16,786,746
7,948,726	(2,662,388)	40,415,504	35,363,632	—	304,274,572
28,340,474	52,596,111	56,120,335	17,905,138	—	445,583,759
—	—	34,531,404	—	—	34,531,404
28,340,474	52,596,111	90,651,739	17,905,138	—	480,115,163
36,289,200	49,933,723	131,067,243	53,268,770	—	784,389,735
3,403,718	—	—	—	—	60,372,848
—	—	—	—	—	78,060,916
—	—	—	—	—	—
—	—	—	—	—	—
6,570	—	(416,509)	—	—	192,639
88,217	—	7,022	—	—	4,392,031
—	—	—	—	—	—
7,333	18,070	13,206,935	21,563	—	15,618,762
—	—	5,863	—	—	19,119
—	—	—	—	—	3,403,768
481,465	—	902,589	—	—	6,285,442
3,987,303	18,070	13,705,900	21,563	—	168,345,525
1,574,604	52,363,964	—	—	—	53,938,568
—	—	—	—	—	11,877,220
—	—	—	—	—	85,851
—	—	36,737,796	3,044,246	—	48,367,427
1,574,604	52,363,964	36,737,796	3,044,246	—	114,269,066
5,561,907	52,382,034	50,443,696	3,065,809	—	282,614,591
30,727,293	(2,448,311)	80,623,547	—	—	451,572,183
—	—	—	50,202,961	—	50,202,961
30,727,293	(2,448,311)	80,623,547	50,202,961	—	501,775,144

Supplementary Information *(Continued)***Public Employees Health Program****Statement of Changes in Net Position by Program***For Year Ended December 31, 2024*

	Medical	Dental	Long-Term Disability
Revenues:			
Premiums earned, service fees, and other revenue net of funds	\$ 978,710,693	32,710,641	14,974,138
Federal subsidy	17,090,920	—	—
Employer contributions	—	—	—
Net Investment income	12,248,016	410,836	3,605,768
Miscellaneous income	184,185	—	—
Total revenues	1,008,233,814	33,121,477	18,579,906
Expenses:			
Insurance benefits:			
Health/pharmacy claims paid	941,255,516	—	—
Dental claims paid	—	32,568,097	—
Disability claims paid	—	—	2,860,181
Life claims paid	—	—	—
Reinsurance premiums	79,694,190	—	—
Provision for unpaid claims and claims incurred but not	(18,910)	(1,132,023)	2,748,084
Reinsurance claims paid	(59,576,079)	—	—
Experience dividends	2,782,074	(18,022)	5,237,771
Total insurance benefits	964,136,791	31,418,052	10,846,036
Administrative and other expenses:			
Administrative expenses	37,023,269	1,769,576	1,445,681
Commissions	4,883,289	387,197	45,616
PPACA fees	304,505	—	—
Other expenses	—	—	—
Total expenses	1,006,347,854	33,574,825	12,337,333
Revenues over (under) benefits and expenses	1,885,960	(453,348)	6,242,573
Net Position:			
End of year, restricted for claims contingency and benefits	\$ 285,713,090	6,669,990	50,286,574

See Independent Auditor's Report.

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan	OPEB and Pensions	Totals
13,271,182	5,937,360	89,223,689	3,601	—	1,134,831,304
—	—	—	—	—	17,090,920
—	—	—	7,395,569	—	7,395,569
1,597,466	4,546,094	2,994,727	2,573,987	—	27,976,894
—	—	60	—	—	184,245
14,868,648	10,483,454	92,218,476	9,973,157	—	1,187,478,932
—	—	—	7,027,769	—	948,283,285
—	—	—	—	—	32,568,097
—	—	—	—	—	2,860,181
13,518,268	5,869,917	—	—	—	19,388,185
183,295	—	—	—	—	79,877,485
(1,091,536)	(12,267)	—	—	—	493,348
—	—	65,745,155	—	—	6,169,076
(31)	—	—	—	—	8,001,792
12,609,996	5,857,650	65,745,155	7,027,769	—	1,097,641,449
1,970,002	234,199	—	156,488	—	42,599,215
359,136	—	20,008	—	—	5,695,246
—	—	—	—	—	304,505
—	—	2,763,261	—	(1,372,194)	1,391,067
14,939,134	6,091,849	68,528,424	7,184,257	(1,372,194)	1,147,631,482
(70,486)	4,391,605	23,690,052	2,788,900	1,372,194	39,847,450
30,797,779	(6,839,916)	56,933,495	47,414,061	(1,372,194)	461,927,694
30,727,293	(2,448,311)	80,623,547	50,202,961	—	501,775,144

Supplementary Information (Continued)**Public Employees Health Program****Medical Program Risk Pools
Statement of Net Position**

December 31, 2024

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Assets:			
Current Assets:			
Cash and cash equivalents	6,402,661	5,339,522	95,067,403
Receivables:			
Premiums and service fees, net	28,717,179	16,190	9,231,130
Securities and interest receivable	1,069,031	116,985	460,780
Invested securities lending collateral	2,147,227	242,618	905,743
Other receivables	5,651,390	293,748	1,776,163
Total current assets	43,987,488	6,009,063	107,441,219
Noncurrent Assets:			
Investments	129,417,359	13,833,318	57,095,008
Capital assets (net of accumulated depreciation)	—	—	—
Total noncurrent assets	129,417,359	13,833,318	57,095,008
Total assets	173,404,847	19,842,381	164,536,227
Liabilities:			
Current liabilities:			
Claims payable	28,329,200	3,130,779	17,201,227
Estimated liability for claims incurred by not reported	33,708,488	2,969,383	19,050,629
Premiums payable	(55,979)	—	184,147
Unearned premiums	113,807	1,731,322	10,143
Investment accounts payable	—	—	—
Accrued expense payable	305,441	100,293	297,790
Taxes payable	(29,924)	580	17,526
Experience dividend payable	—	—	3,403,768
Security lending liability	2,147,227	242,618	905,743
Total current liabilities	64,518,260	8,174,975	41,070,973
Noncurrent Liabilities:			
Life insurance reserves	—	—	—
Long term disability claim reserves	—	—	—
Long term disability medical premium reserves	—	—	—
Due to other agencies and other liabilities	409,432	728,524	662,786
Total noncurrent liabilities	409,432	728,524	662,786
Total liabilities	64,927,692	8,903,499	41,733,759
Net Position:			
Beginning of year, restricted for claim contingency	\$ 105,023,527	14,211,449	116,081,818
End of year, restricted for claim contingency reserve	\$ 108,477,155	10,938,882	122,802,468

See Independent Auditor's Report.

Public Employees Health Program

Utah School Boards Association (USBA)	Self Funded Health Care Groups	Medicare Supplement	Totals
2,390,049	2,334,481	21,060,479	132,594,595
4,263,664	4,988,301	3,847,958	51,064,422
85,095	5,582	84,670	1,822,143
274,045	—	121,178	3,690,811
1,833,904	526,584	6,471,593	16,553,382
8,846,757	7,854,948	31,585,878	205,725,353
15,985,020	—	4,944,455	221,275,160
—	—	—	—
15,985,020	—	4,944,455	221,275,160
24,831,777	7,854,948	36,530,333	427,000,513
3,622,749	—	4,404,977	56,688,932
4,726,770	—	1,360,697	61,815,967
(152)	(698)	466,357	593,675
3,642	1,658	2,295,605	4,156,177
—	—	—	—
16,074	974,823	652,418	2,346,839
14,357	4,978	3,549	11,066
—	—	—	3,403,768
274,045	—	121,178	3,690,811
8,657,485	980,761	9,304,781	132,707,235
—	—	—	—
—	—	—	—
—	—	—	—
149	6,779,297	—	8,580,188
149	6,779,297	—	8,580,188
8,657,634	7,760,058	9,304,781	141,287,423
14,489,156	536,552	33,484,628	283,827,130
16,174,143	94,890	27,225,552	285,713,090

Supplementary Information *(Continued)***Public Employees Health Program****Medical Program Risk Pools
Statement Changes in Net Position***For the Year Ended December 31, 2024*

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Revenues:			
Premiums and service fees	\$ 455,093,323	41,666,626	250,890,650
Federal subsidy	—	—	—
Employer contributions	7,126,116	804,989	3,005,154
Net Investment income	26,426	132,569	14,328
Total revenues	462,245,865	42,604,184	253,910,132
Expenses:			
Insurance benefits:			
Health/pharmacy claims paid	424,413,290	42,705,125	228,813,658
Reinsurance premiums	30,077,591	4,303,322	40,173,556
Provisions for unpaid claims and claims incurred but not	9,832,208	166,170	(9,491,142)
Reinsurance claims paid	(20,948,422)	(3,456,254)	(29,934,833)
Experience dividends	(140,435)	30,167	2,892,342
Total insurance benefits	443,234,232	43,748,530	232,453,581
Administrative and other expenses:			
Administrative expenses	15,389,788	2,107,633	9,788,344
PPACA fees	168,217	20,588	94,583
Commissions	—	—	4,852,974
Total expenses	458,792,237	45,876,751	247,189,482
Revenues over (under) expenses	3,453,628	(3,272,567)	6,720,650
Net Position:			
Beginning of year, restricted for claim contingency	105,023,527	14,211,449	116,081,818
End of year, restricted for claim contingency reserve	\$ 108,477,155	10,938,882	122,802,468

See Independent Auditor's Report.

Public Employees Health Program

Utah School Boards Association (USBA)	Self Funded Health Care Groups	Medicare Supplement	Totals
50,957,259	138,393,431	41,709,404	978,710,693
—	—	17,090,920	17,090,920
909,262	—	402,495	12,248,016
3,167	2,944	4,751	184,185
51,869,688	138,396,375	59,207,570	1,008,233,814
48,525,840	133,436,131	63,361,472	941,255,516
5,139,216	505	—	79,694,190
55,551	—	(581,697)	(18,910)
(5,463,418)	226,848	—	(59,576,079)
—	—	—	2,782,074
48,257,189	133,663,484	62,779,775	964,136,791
1,908,664	5,132,642	2,696,198	37,023,269
18,847	2,270	—	304,505
—	39,641	(9,326)	4,883,289
50,184,700	138,838,037	65,466,647	1,006,347,854
1,684,988	(441,662)	(6,259,077)	1,885,960
14,489,155	536,552	33,484,629	283,827,130
16,174,143	94,890	27,225,552	285,713,090

Supplementary Information *(Continued)***Public Employees Health Program****Dental Program Risk Pools
Statement of Net Position**

For the Year Ended December 31, 2024

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
ASSETS:					
Current Assets:					
Cash and cash equivalents	(1,335,150)	348,640	1,193,984	185,636	393,110
Receivables:	—	—	—	—	—
Premiums and service fees, net	1,314,477	3,131	1,689,937	629,735	3,637,280
Securities and interest receivable	35,140	6,309	18,491	217	60,157
Invested securities lending collateral	73,540	11,314	38,970	—	123,824
Other receivables	21,039	1,684	3,983	—	26,706
Total current assets	109,046	371,078	2,945,365	815,588	4,241,077
Noncurrent Assets:					
Investments	4,435,623	673,638	2,241,513	3,479	7,354,253
Total noncurrent assets	4,435,623	673,638	2,241,513	3,479	7,354,253
Total assets	4,544,669	1,044,716	5,186,878	819,067	11,595,330
Liabilities:					
Current liabilities:					
Claims payable	—	—	163,854	116,344	280,198
Estimated liability for claims incurred but not reported	2,633,235	388,043	1,198,854	150,601	4,370,733
Premiums payable (pass through dental and vision)	4,229	—	446	—	4,675
Unearned premiums	26,474	113,405	343	—	140,222
Taxes payable	695	172	594	—	1,461
Experience dividend payable	—	—	4,038	189	4,227
Security lending liability	73,540	11,314	38,970	—	123,824
Total current liabilities	2,738,173	512,934	1,407,099	267,134	4,925,340
Noncurrent Liabilities:					
Total noncurrent liabilities	—	—	—	—	—
Total liabilities	2,738,173	512,934	1,407,099	267,134	4,925,340
Net position:					
End of year, restricted for claim contingency reserve	\$ 1,806,496	531,782	3,779,779	551,933	6,669,990

See Independent Auditor's Report.

Supplementary Information *(Concluded)***Public Employees Health Program****Dental Program Risk Pools**
Statement of Changes in Net Position*For the Year Ended December 31, 2024*

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
Revenues:					
Premiums and service fees	\$ 18,875,033	2,680,857	8,848,241	2,306,510	32,710,641
Federal subsidy					—
Investment income	243,999	37,538	129,299	—	410,836
Miscellaneous income	—	—	—	—	—
Total revenues	19,119,032	2,718,395	8,977,540	2,306,510	33,121,477
Expenses:					
Insurance benefits:					
Health/pharmacy claims paid	18,979,196	2,756,412	8,367,770	2,464,719	32,568,097
Provision for unpaid claims and claims incurred but not reported	(634,971)	(29,912)	(241,106)	(226,034)	(1,132,023)
Experience dividends	(18,022)	—	—	—	(18,022)
Total insurance benefits	18,326,203	2,726,500	8,126,664	2,238,685	31,418,052
Administrative and other expenses:					
Administrative expenses	1,062,700	132,768	428,974	145,134	1,769,576
Commissions	—	—	387,197	—	387,197
Total expenses	19,388,903	2,859,268	8,942,835	2,383,819	33,574,825
Revenues over (under) expenses	(269,871)	(140,873)	34,705	(77,309)	(453,348)
Net Position:					
Beginning of year, restricted for claim contingency	2,076,367	672,655	3,745,074	629,242	7,123,338
End of year, restricted for claim contingency reserve	\$ 1,806,496	531,782	3,779,779	551,933	6,669,990

See Independent Auditor's Report.

PEHP Core Principles

- » Solving problems, not just processing claims.
- » Providing advice, not just cold facts.
- » Customizing information for the one.
- » Focusing on the greatest opportunities.
- » Using data wisely to address cost and quality.
- » Remembering everyone wins when health outcomes improve and costs are reduced.
- » Preserving benefits to avoid shifting costs.
- » Not letting the size of a problem deter us.
- » Adding value without increasing costs.
- » Going the extra mile to keep members out of the middle.
- » Providing excellent products at cost.



Public Employees Health Program

Unaudited Supplementary Information

As of June 30, 2024



Unaudited Supplementary Information (Continued)**Public Employees Health Program****Statements of Net Position (Unaudited)**

As of Fiscal Year July 1, 2023 - June 30, 2024

With Comparative Totals for June 30, 2023

	June 30, 2024	June 30, 2023
Assets:		
Cash and cash equivalents	\$ 208,918,064	148,135,796
Investments	428,971,617	407,740,755
Invested securities lending collateral	2,628,697	1,432,110
Receivables:		
Premiums and service fees	59,122,675	46,454,297
Investments	3,670,254	2,762,134
Other receivables	10,485,685	25,368,766
Total receivables	73,278,614	74,585,197
Capital assets net of accumulated depreciation	33,541,375	33,097,256
Net OPEB asset	412,436	3,213,179
Total assets	747,750,803	668,204,293
Deferred Outflow of Resources:		
OPEB related amounts	403,007	535,706
Pension related amounts	8,147,819	7,034,589
Total deferred outflows	8,550,826	7,570,295
Liabilities:		
Claims payable	29,471,252	26,949,931
Estimated liability for claims incurred but not reported	116,697,891	89,937,815
Life insurance reserves	54,143,563	55,490,563
Long-term disability claims reserves	9,844,420	9,013,498
Long-term disability medical premium reserves	92,875	264,104
Premiums payable	127,134	456,943
Unearned premiums	354,804	4,490,801
Investment accounts payable	—	294,999
PPCA and other accrued expenses payable	5,842,689	4,411,254
Taxes payable	30,680	(363)
Experience dividend payable	303,768	169,306
Due to other agencies and other liabilities	49,709,670	48,984,707
Security lending liability	2,628,697	1,432,110
Net pension liability	9,674,938	—
Net OPEB liability	—	47,594
Total liabilities	278,922,381	241,943,262
Deferred Inflows of Resources:		
OPEB related amounts	464,526	173,641
Pension related amounts	195,992	12,923,429
Total deferred inflows	660,518	13,097,070
Net Position:		
Restricted for claims contingency reserves	427,052,008	373,390,300
Restricted for benefits	49,666,722	47,343,956
Total net position	\$ 476,718,730	420,734,256

Unaudited Supplementary Information (Continued)**Public Employees Health Program****Statements of Changes in Net Position (Unaudited)**

Fiscal Year July 1, 2023 - June 30, 2024

With Comparative Totals for June 30, 2023

	June 30, 2024	June 30, 2023
Revenues:		
Premiums earned and service fees, net of refunds	\$ 1,105,188,161	1,025,477,350
Federal subsidy	16,421,942	18,291,226
Employer contributions	6,663,410	7,173,769
Net investment income	32,439,501	13,663,330
Miscellaneous income	54,666	1,271
Total revenues	1,160,767,680	1,064,606,946
Expenses:		
Insurance benefits:		
Claims	1,018,319,186	930,125,184
Change in unpaid claims and claimed incurred but not reported	28,594,090	(12,356,891)
Experience dividends	5,829,068	6,031,950
Total insurance benefits	1,052,742,344	923,800,243
Administrative and other expenses:		
Administrative expenses	42,908,896	39,313,525
Commissions	5,575,707	5,744,929
PPACA fees	290,029	239,571
Other	3,266,230	(5,221,535)
Total expenses	1,104,783,206	963,876,733
Revenues over (under) expenses	55,984,474	100,730,213
Net Position:		
Beginning of year, restricted for claim contingency and benefits	420,734,256	320,004,043
End of year, restricted for claims contingency and benefits	\$ 476,718,730	420,734,256

Unaudited Supplementary Information (Continued)**Public Employees Health Program****Statements of Cash Flow (Unaudited)**

For the Fiscal Year Ended June 30, 2024

With Comparative Totals for June 30, 2023

	June 30, 2024	June 30, 2023
Cash flows from operating activities:		
Cash received from premiums and service fees, and other revenue net of refunds	\$ 1,111,523,809	1,046,505,802
Cash paid for insurance benefits	(1,004,525,354)	(930,040,570)
Cash paid for administrative and other expenses	(44,117,845)	(42,845,234)
Policyholder experience dividends paid	(5,694,606)	(5,934,852)
Net cash provided (used) by operating activities	57,186,004	67,685,146
Cash flows from investing activities:		
Investment income	17,171,842	9,831,757
Proceeds from maturities of sales of fixed income securities	74,927,544	56,661,026
Purchases of fixed income securities	(82,093,870)	(89,176,517)
Payments for acquisition of capital assets	(3,137,564)	(3,874,372)
Payments for acquisition of right to use assets	—	(24,948,584)
Net cash provided (used) by investing activities	6,867,952	(51,506,690)
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt for right to use assets	—	24,948,584
Payments of debt for right to use assets	(1,709,906)	(1,469,748)
Interest Paid	(1,561,782)	—
Net cash provided (used) by financing activities	(3,271,688)	23,478,836
Net increase in cash and cash equivalents	60,782,268	39,657,292
Cash and cash equivalents at beginning of year	148,135,796	108,478,504
Cash and cash equivalents at end of year	208,918,064	148,135,796
Reconciliation of revenue over benefits and expenses to net cash provided by operating activities:		
Revenue over benefits and expenses	55,984,474	100,730,213
Adjustments to reconcile revenue over (under) benefits and expenses to net cash provided (used) by operating activities:		
Depreciation	—	—
Interest expense SBITA	1,561,782	—
Amortization	2,693,444	—
Net investment income	(32,439,501)	(13,663,330)
OPEB related items	(36,446)	91,885
Pension related items	(952,550)	(5,313,420)
Change in assets and liabilities:		
Premiums and service fees	(12,669,056)	(5,784,763)
Employer contributions	677	530
Prepaid expenses and other current assets	14,883,228	(1,681,072)
Claims payable	2,521,321	(5,753,578)
Liability for claims incurred but not reported	26,760,082	(7,032,529)
Life insurance reserves	(1,347,000)	572,961
Long-term disability claim reserves	830,922	—
Long-term disability medical premium reserves	(171,229)	(143,744)
Experience dividend payable	134,462	97,098
Due to other agencies and other liabilities	2,434,722	1,699,067
Premium payables	(329,809)	84,610
Unearned premiums	(4,135,997)	1,346,422
Accrued expense payable	1,431,435	2,437,414
Taxes payable	31,043	(2,618)
Net cash provided by operating activities	\$ 57,186,004	67,685,146

The accompanying notes to the financial statements are an integral part of these statements.

Unaudited Supplementary Information (Continued)**Public Employees Health Program****Statements of Net Position by Program (Unaudited)**

As of June 30, 2024

	Medical	Dental	Long-Term Disability
Assets:			
Cash and cash equivalents	\$ 139,092,148	1,793,831	10,058,607
Investments	214,368,271	7,122,022	59,954,079
Invested securities lending collateral	1,543,570	51,786	454,502
Receivables:			
Premiums and service fees	52,704,423	3,992,045	1,030,887
Investments receivable	2,046,375	68,174	549,017
Employer contributions	—	—	—
Other receivables	10,192,798	28,690	178,539
Total receivables	64,943,596	4,088,909	1,758,443
Capital assets net of accumulated depreciation	—	—	—
Net OPEB asset	—	—	—
Total assets	419,947,585	13,056,548	72,225,631
Deferred Outflow of Resources:			
OPEB related amounts	—	—	—
Pension related amounts	—	—	—
Total deferred outflows	—	—	—
Liabilities:			
Claims payable	24,295,685	873,041	—
Estimated liability for claims incurred but not reported	99,765,522	4,336,915	12,595,454
Life insurance reserves	—	—	—
Long-term disability claims reserves	—	—	9,844,420
Long-term disability medical premium reserves	—	—	92,875
Premiums payable	149,953	12,819	4,228
Unearned premiums	145,786	168,938	1,396
Investment accounts payable	—	—	—
PPCA and other accrued expenses payable	(462,733)	1,420	16,196
Taxes payable	12,809	189	19,830
Experience dividend payable	303,768	—	—
Due to other agencies and other liabilities	9,186,688	—	(18,114)
Security lending liability	1,543,570	51,786	454,502
Net pension liability	—	—	—
Total liabilities	134,941,048	5,445,108	23,010,787
Deferred Inflows of Resources:			
OPEB related amounts	—	—	—
Pension related amounts	—	—	—
Total deferred inflows	—	—	—
Net Position:			
Restricted for claims contingency reserves	285,006,537	7,611,440	49,214,844
Restricted for benefits	—	—	—
Total net position	\$ 285,006,537	7,611,440	49,214,844

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan (HRA)	OPEB and Pensions	Totals
6,918,553	(2,690,141)	16,864,299	36,880,767	—	208,918,064
27,437,485	50,346,408	54,427,525	15,315,827	—	428,971,617
201,358	—	377,481	—	—	2,628,697
621,263	—	774,057	—	—	59,122,675
270,449	—	471,722	264,517	—	3,670,254
—	—	—	267	—	267
8,464	—	76,927	—	—	10,485,418
900,176	—	1,322,706	264,784	—	73,278,614
—	—	33,541,375	—	—	33,541,375
—	—	—	—	412,436	412,436
35,457,572	47,656,267	106,533,386	52,461,378	412,436	747,750,803
—	—	—	—	403,007	403,007
—	—	—	—	8,147,819	8,147,819
—	—	—	—	8,550,826	8,550,826
4,302,526	—	—	—	—	29,471,252
—	—	—	—	—	116,697,891
1,767,332	52,376,231	—	—	—	54,143,563
—	—	—	—	—	9,844,420
—	—	—	—	—	92,875
4,575	—	(44,441)	—	—	127,134
28,341	—	10,343	—	—	354,804
—	—	—	—	—	—
7,171	—	6,250,356	30,279	—	5,842,689
—	—	(2,148)	—	—	30,680
—	—	—	—	—	303,768
36	—	37,776,683	2,764,377	—	49,709,670
201,358	—	377,481	—	—	2,628,697
—	—	—	—	9,674,938	9,674,938
6,311,339	52,376,231	44,368,274	2,794,656	9,674,938	278,922,381
—	—	—	—	464,526	464,526
—	—	—	—	195,992	195,992
—	—	—	—	660,518	660,518
29,146,233	(4,719,964)	62,165,112	—	(1,372,194)	427,052,008
—	—	—	49,666,722	—	49,666,722
29,146,233	(4,719,964)	62,165,112	49,666,722	(1,372,194)	476,718,730

Unaudited Supplementary Information (Continued)**Public Employees Health Program****Statements of Changes in
Net Position by Program (Unaudited)**

Fiscal Year July 1, 2023 - June 30, 2024

	Medical	Dental	Long-Term Disability
Revenues:			
Premiums and service fees	\$ 951,979,835	32,324,055	14,432,362
Federal subsidy	16,421,942	—	—
Employer contributions	—	—	—
Investment income	14,876,303	499,086	4,380,301
Miscellaneous income	54,607	—	—
Total revenues	983,332,687	32,823,141	18,812,663
Expenses:			
Insurance benefits:			
Health/pharmacy claims paid	874,318,474	—	—
Dental claims paid	—	31,736,783	—
Disability paid claims	—	—	2,559,898
Life claims paid	—	—	—
Reinsurance premiums	77,081,881	—	—
Provision for unpaid claims and claims incurred but not reported	26,354,534	117,501	2,486,680
Reinsurance claims paid	(51,101,770)	—	—
Experience dividends	5,829,068	—	—
Total insurance benefits	932,482,187	31,854,284	5,046,578
Administrative and other expenses:			
Administrative expenses	36,736,846	1,684,609	2,136,220
Commissions	4,824,316	378,606	—
PPACA fees	290,029	—	—
Other	—	—	—
Total expenses	974,333,378	33,917,499	7,182,798
Revenues over (under) expenses	8,999,309	(1,094,358)	11,629,865
Net Position:			
Beginning of year, restricted for claim contingency and benefits	276,007,228	8,705,798	37,584,979
End of year, restricted for claims contingency and benefits	\$ 285,006,537	7,611,440	49,214,844

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan (HRA)	OPEB and Pensions	Totals
13,726,829	6,388,594	86,332,874	3,612	—	1,105,188,161
—	—	—	—	—	16,421,942
—	—	—	6,663,410	—	6,663,410
1,940,608	4,465,194	3,638,006	2,640,003	—	32,439,501
—	—	59	—	—	54,666
15,667,437	10,853,788	89,970,939	9,307,025	—	1,160,767,680
—	—	—	6,830,667	—	881,149,141
—	—	—	—	—	31,736,783
—	—	—	—	—	2,559,898
14,053,450	5,947,998	—	—	—	20,001,448
340,304	—	—	—	—	77,422,185
855,779	(1,220,404)	—	—	—	28,594,090
—	—	56,551,501	—	—	5,449,731
—	—	—	—	—	5,829,068
15,249,533	4,727,594	56,551,501	6,830,667	—	1,052,742,344
1,879,610	318,019	—	153,592	—	42,908,896
353,609	—	19,176	—	—	5,575,707
—	—	—	—	—	290,029
—	—	4,255,226	—	(988,996)	3,266,230
17,482,752	5,045,613	60,825,903	6,984,259	(988,996)	1,104,783,206
(1,815,315)	5,808,175	29,145,036	2,322,766	988,996	55,984,474
30,961,548	(10,528,139)	33,020,076	47,343,956	(2,361,190)	420,734,256
29,146,233	(4,719,964)	62,165,112	49,666,722	(1,372,194)	476,718,730

Unaudited Supplementary Information (Continued)**Public Employees Health Program****Medical Program Risk Pools
Statement of Net Position (Unaudited)**

As of June 30, 2024

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Assets:			
Cash and cash equivalents	\$ 9,338,194	5,575,414	88,598,043
Investments	125,405,695	13,378,287	55,396,303
Invested securities lending collateral	898,083	101,468	378,805
Receivables:			
Premiums and service fees	25,064,962	10,840	17,227,455
Investments	1,193,303	132,696	519,429
Misc. receivables/prepaid expenses	2,849,486	136,780	1,069,547
Total receivables	29,107,751	280,316	18,816,431
Capital assets net of accumulated depreciation	—	—	—
Total assets	164,749,723	19,335,485	163,189,582
Liabilities:			
Claims payable	13,258,947	1,597,627	6,084,768
Estimated liability for claims incurred but not reported	48,425,949	6,100,895	34,271,767
Premiums payable (pass through dental and vision)	(101,540)	—	178,573
Unearned premiums	121,558	1,153	4,581
Investment accounts payable	—	—	—
PPACA and other accrued expenses payable	205,727	137,452	(1,486,287)
Taxes payable	(15,606)	461	12,042
Experience dividend payable	—	—	303,768
Due to other agencies and other liabilities	1,626,191	812,441	520,208
Security lending liability	898,083	101,468	378,805
Total liabilities	64,419,309	8,751,497	40,268,225
Net Position:			
Restricted for claims contingency reserves	\$ 100,330,414	10,583,988	122,921,357

Utah School Board Associations (USBA)	Self Funded Healthcare Groups	Medicare Supplement	Totals
4,022,082	4,970,506	26,587,909	139,092,148
15,471,047	—	4,716,939	214,368,271
114,611	—	50,603	1,543,570
4,321,544	3,020,769	3,058,853	52,704,423
102,840	5,582	92,525	2,046,375
1,263,597	598,221	4,275,167	10,192,798
5,687,981	3,624,572	7,426,545	64,943,596
—	—	—	—
25,295,721	8,595,078	38,781,996	419,947,585
1,243,595	—	2,110,748	24,295,685
5,356,653	—	5,610,258	99,765,522
(164)	(869)	73,953	149,953
1,195	37	17,262	145,786
—	—	—	—
4,720	631,975	43,680	(462,733)
8,486	3,976	3,450	12,809
—	—	—	303,768
149	6,719,773	(492,074)	9,186,688
114,611	—	50,603	1,543,570
6,729,245	7,354,892	7,417,880	134,941,048
18,566,476	1,240,186	31,364,116	285,006,537

Unaudited Supplementary Information (Continued)**Public Employees Health Program****Medical Program Risk Pools
Statement of Changes in Net Position (Unaudited)**

Fiscal Year July 1, 2023 - June 30, 2024

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Revenues:			
Premiums and service fees	\$ 437,442,957	42,018,221	249,718,371
Federal subsidy	—	—	—
Investment income	8,654,718	977,904	3,650,673
Miscellaneous income	26,426	2,991	14,328
Total revenues	446,124,101	42,999,116	253,383,372
Expenses:			
Insurance benefits:			
Health/pharmacy claims paid	385,708,772	38,685,997	209,536,753
Reinsurance premiums	28,205,826	3,958,396	40,193,916
Provision for unpaid claims and claims incurred but not reported	14,929,770	3,765,191	10,098,217
Reinsurance claims paid	(15,833,818)	(3,024,763)	(27,103,773)
Experience dividends	(27)	30,167	5,798,928
Total insurance benefits	413,010,523	43,414,988	238,524,041
Administrative and other expenses:			
Administrative expenses	14,973,698	2,038,463	9,729,070
PPACA fees	161,135	19,444	90,884
Commissions	—	—	4,785,721
Total expenses	428,145,356	45,472,895	253,129,716
Revenues over (under) expenses	17,978,745	(2,473,779)	253,656
Net Position:			
Beginning of year, restricted for claim contingency	82,351,669	13,057,767	122,667,701
End of year, restricted for claim contingency reserve 06-30-2021	\$ 100,330,414	10,583,988	122,921,357

Utah School Board Associations (USBA)	Self Funded Healthcare Groups	Medicare Supplement	Totals
50,716,279	133,951,532	38,132,475	951,979,835
—	—	16,421,942	16,421,942
1,104,576	—	488,432	14,876,303
3,167	2,944	4,751	54,607
51,824,022	133,954,476	55,047,600	983,332,687
44,678,728	129,336,640	66,371,585	874,318,475
4,723,238	505	—	77,081,881
(267,281)	—	(2,171,363)	26,354,534
(4,528,392)	(611,024)	—	(51,101,770)
—	—	—	5,829,068
44,606,293	128,726,121	64,200,222	932,482,188
1,877,598	5,486,159	2,631,858	36,736,846
18,266	300	—	290,029
—	38,595	—	4,824,316
46,502,157	134,251,175	66,832,080	974,333,379
5,321,865	(296,699)	(11,784,480)	8,999,308
13,244,611	1,536,885	43,148,596	276,007,229
18,566,476	1,240,186	31,364,116	285,006,537

Unaudited Supplementary Information (Continued)**Public Employees Health Program****Dental Program Risk Pools
Statement of Net Position (Unaudited)**

As of June 30, 2024

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
Assets:					
Cash and cash equivalents	\$ (441,369)	428,920	1,690,488	115,792	1,793,831
Investments	4,297,699	652,419	2,168,425	3,479	7,122,022
Invested securities lending collateral	30,756	4,732	16,298	—	51,786
Receivables:					
Premiums and service fees	1,187,644	2,350	1,435,492	1,366,559	3,992,045
Investments	39,902	7,041	21,014	217	68,174
Other receivables	22,925	2,530	3,020	215	28,690
Total receivables	1,250,471	11,921	1,459,526	1,366,991	4,088,909
Total assets	5,137,557	1,097,992	5,334,737	1,486,262	13,056,548
Liabilities:					
Claims payable	503,134	72,383	232,989	64,535	873,041
Estimated liability for claims incurred but not reported	2,346,839	333,745	1,198,968	457,363	4,336,915
Premiums payable (pass through dental and vision)	12,440	—	379	—	12,819
Unearned premiums	28,983	11,734	186	128,035	168,938
Investment accounts payable	—	—	—	—	—
PPCA and other accrued expenses payable	670	169	581	—	1,420
Taxes payable	—	—	—	189	189
Security lending liability	30,756	4,732	16,298	—	51,786
Total liabilities	2,922,822	422,763	1,449,401	650,122	5,445,108
Net Position:					
Restricted for claims contingency reserves	\$ 2,214,735	675,229	3,885,336	836,140	7,611,440

Unaudited Supplementary Information *(Concluded)***Public Employees Health Program****Dental Program Risk Pools
Statement of Changes in Net Position (Unaudited)***Fiscal Year July 1, 2023 - June 30, 2024*

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
Revenues:					
Premiums and service fees	\$ 18,787,139	2,710,746	8,922,557	1,903,613	32,324,055
Investment income	296,411	45,602	157,073	—	499,086
Total Revenues	19,083,550	2,756,348	9,079,630	1,903,613	32,823,141
Expenses:					
Insurance Benefits					
Health/pharmacy claims paid	18,372,630	2,641,959	8,407,962	2,314,233	31,736,784
Provision for unpaid claims and claims incurred but not reported	719,655	16,173	(428,158)	(190,169)	117,501
Experience dividends	—	—	—	—	—
Total Insurance Benefits	19,092,285	2,658,132	7,979,804	2,124,064	31,854,285
Administrative and other expenses:					
Administrative expenses	983,413	139,931	421,993	139,272	1,684,609
Commissions	—	—	378,606	—	378,606
Total expenses	20,075,698	2,798,063	8,780,403	2,263,336	33,917,500
Revenues over (under) expenses	(992,148)	(41,715)	299,227	(359,723)	(1,094,359)
Net position:					
Beginning of year, restricted for claim contingency	3,206,883	716,944	3,586,109	1,195,863	8,705,799
End of year, restricted for claim contingency reserve	\$ 2,214,735	675,229	3,885,336	836,140	7,611,440



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