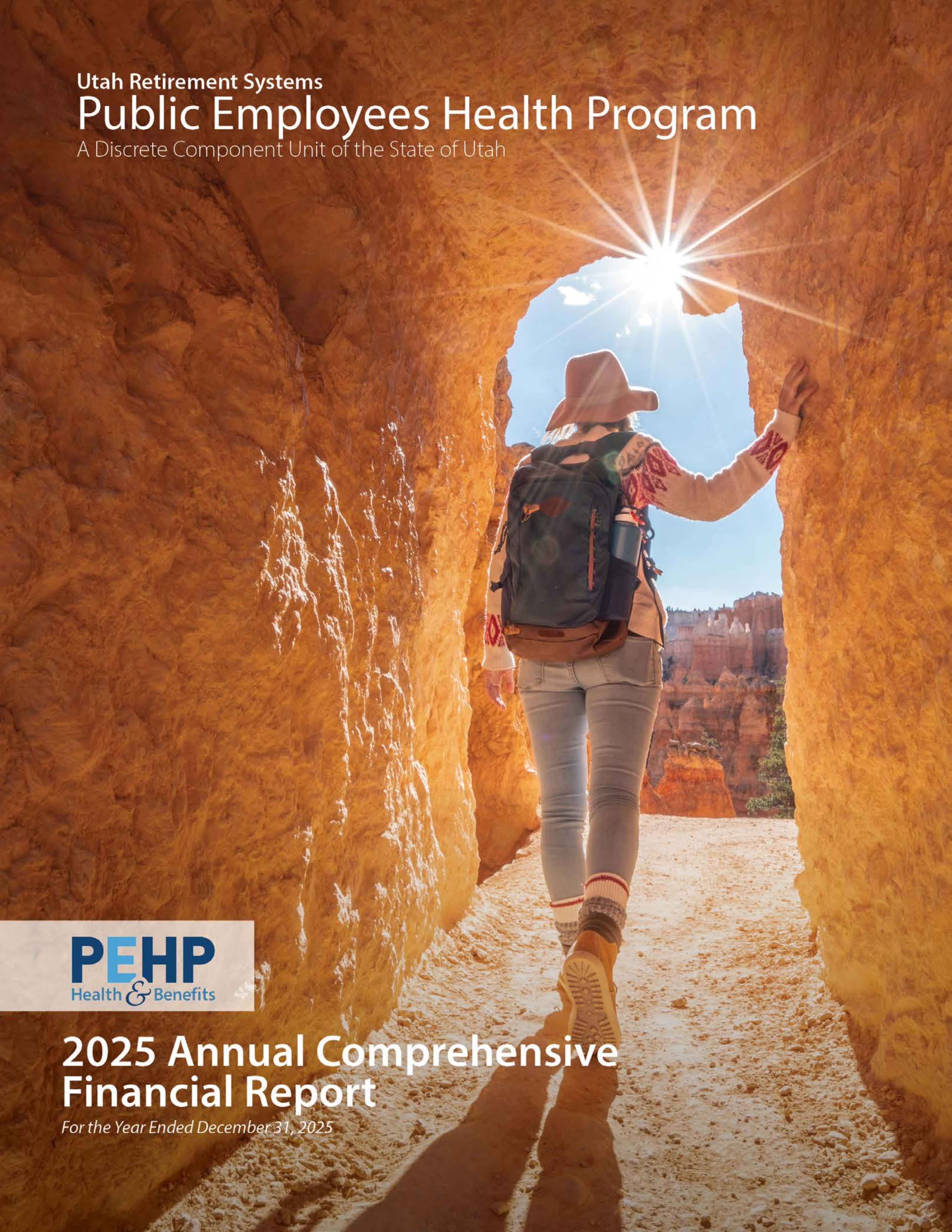
Utah Retirement Systems

Public Employees Health Program

A Discrete Component Unit of the State of Utah



PEHP Health & Benefits

2025 Annual Comprehensive Financial Report

For the Year Ended December 31, 2025

PEHP Health & Benefits

Utah Retirement Systems

Public Employees Health Program

A Discrete Component Unit of the State of Utah

2025 Annual Comprehensive Financial Report

For the Year Ended December 31, 2025

PEHP Health & Benefits

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
2025 Annual Comprehensive Financial Report

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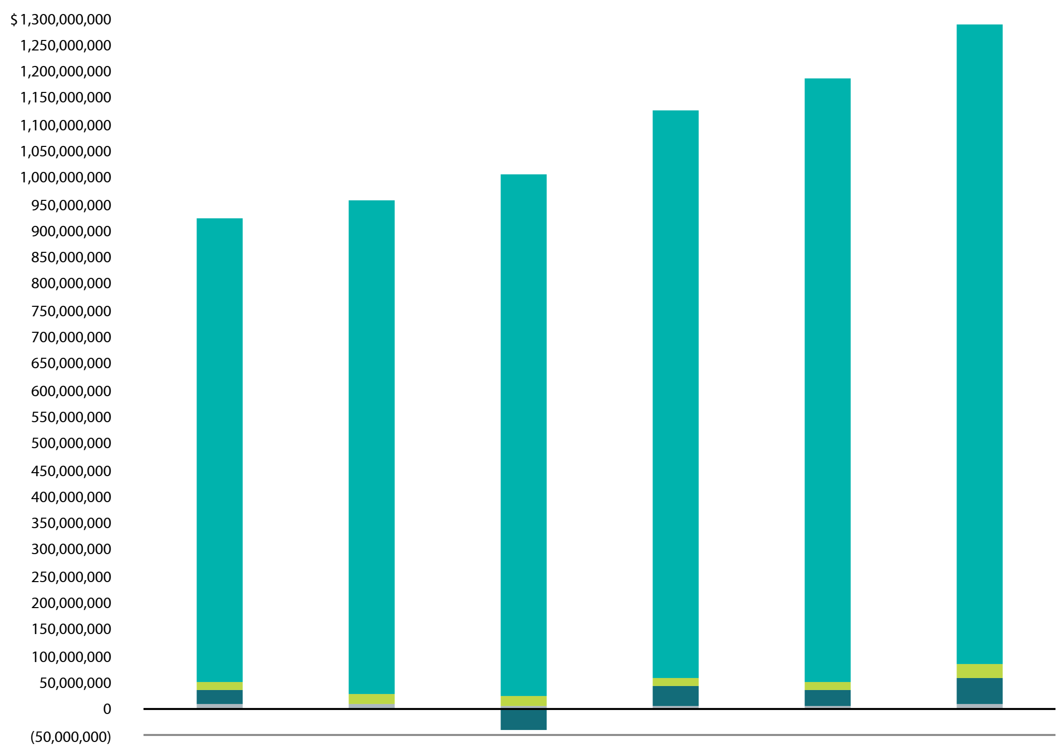
At December 31



	2020	2021	2022	2023	2024	2025
Premiums and service fees	$ 871,935,466	931,475,293	982,024,567	1,068,646,562	1,135,015,549	1,203,991,115
Federal subsidies	15,981,550	18,265,420	18,369,701	14,963,087	17,090,920	26,538,017
Net investment income	27,209,692	(1,233,719)	(39,214,872)	37,179,288	27,976,894	48,216,132
Employer contributions	8,863,707	8,874,490	7,691,580	6,981,139	7,395,569	9,411,867
Totals	$ 923,990,415	957,381,484	968,870,976	1,127,770,076	1,187,478,932	1,288,157,131

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 LOFTIS
MANAGING DIRECTOR

June 24, 2026

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

Dear Board Members:

We are pleased to present the 2025 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 2025.

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 31.

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 LOFTIS
MANAGING DIRECTOR

June 24, 2026

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.

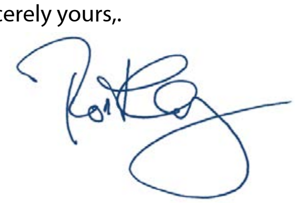
Over the past year, PEHP has remained financially strong in all respects. Our financial statements for the year ended December 31, 2025, reflect solid reserves and stable performance across all major programs. Total reserves exceeded $572.3 million, supported by strong premiums, investment performance, and disciplined operational management. These reserve levels continue to meet or exceed recommended targets, enabling PEHP to maintain rate stability and absorb trend volatility. Membership also remains strong, with 175.2 thousand members enrolled in the medical plan as of December 31, 2025.

A major focus over the past two years has been the phased implementation of our new core IT platform. I am pleased to report that PEHP is now fully live on the new system for all medical and dental plans, completing the transition that began in 2023. This milestone represents a significant achievement for an organization of our size and complexity. The dual-system period required substantial effort, commitment, and collaboration across our program, operations, and technology teams. With this transition complete, our environment is more stable, scalable, and better positioned to support future innovation.

As we pivot fully into 2026 and beyond, the new platform enables us to identify additional opportunities to enhance customer value—through more efficient operations, improved data insights, and better service for members, providers, and employer groups. These capabilities strengthen PEHP's long-term ability to fulfill its mission while remaining a trusted and affordable choice for Utah's public workforce.

In the end, PEHP is unique in its mission and significant in its impact on the communities we serve. We are grateful for the Board's continued guidance and support, and for the dedicated teams whose work brought us to this point - both organizationally and through the successful system transition. We look forward to building on this momentum as we continue serving Utah's public employees with excellence

Sincerely yours,.



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

Karl W.Wilson
Appointed July 2, 2021
Term Expires July 1, 2029
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
President
Member Since June 29, 2021
Ex-officio Member

Utah Retirement Systems

Executive Director

Daniel D. Andersen

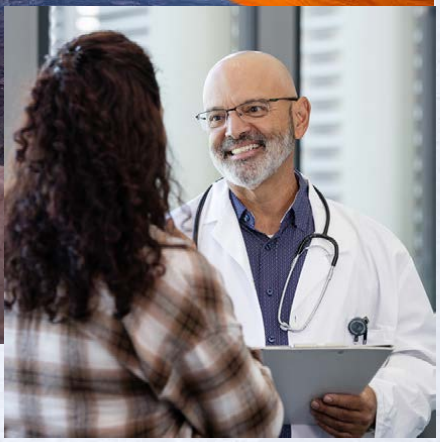
PEHP

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.

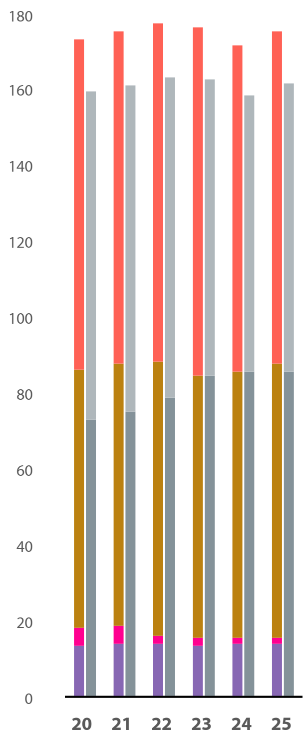
Plan Choices — PEHP offers two types of medical plans: **Traditional** and **STAR HSA-eligible** plans.

» Traditional Plans feature co-pays, lower deductibles, higher premiums, and lower out-of-pocket costs.

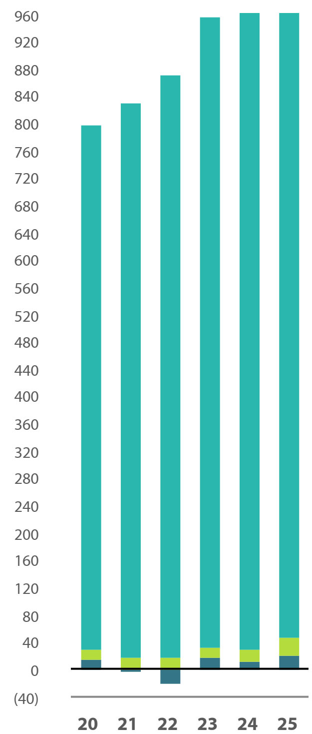
» STAR HSA Plans offer higher deductibles and lower premiums, along with tax-advantaged savings through a Health Savings Account (HSA). Both employers and employees can contribute to the HSA, up to annual IRS contribution limits, and use the funds tax-free for qualified healthcare expenses.

Medical Program Highlights *(Concluded)*

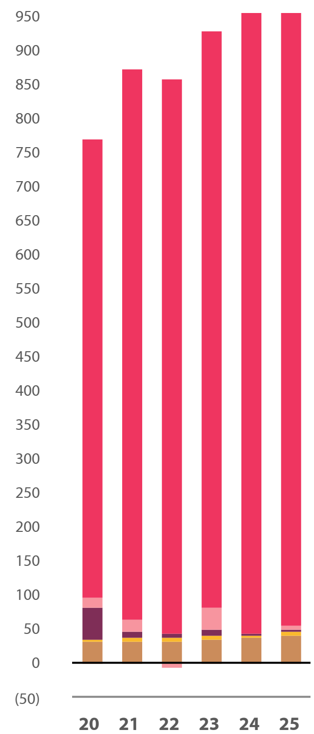
Total Membership Enrollment
(in thousands)



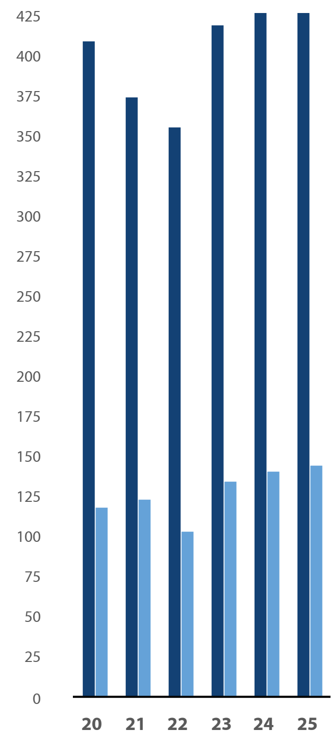
Additions by Source
($ in millions)



Deductions by Type
($ in millions)



Contingency Reserves
($ in millions)



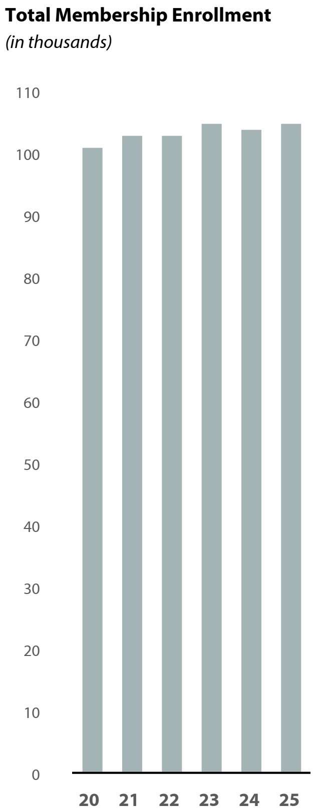
	2020	2021	2022	2023	2024	2025
Count of Membership						
Advantage Network	87,466	87,402	89,188	91,852	86,003	88,021
Summit Network	67,895	69,409	72,078	68,997	70,266	71,703
Preferred Network	4,621	4,801	2,416	2,015	2,039	1,605
Medicare	13,820	14,069	13,997	13,839	13,854	13,825
Totals	173,802	175,681	177,679	176,703	172,162	175,154
Traditional Plan	86,367	86,365	84,626	78,102	72,556	75,755
Star HSA Plan	73,615	75,247	79,056	84,762	85,752	85,574
Totals	159,982	161,612	163,682	162,864	158,308	161,329
Medical Program Additions by						
Premiums and service fees	$ 767,094,257	813,528,805	854,368,087	925,005,864	978,710,693	1,039,736,254
Federal subsidies	15,981,550	18,265,420	18,369,701	14,963,087	17,090,920	26,538,017
Net investment income	14,450,922	(2,072,408)	(19,753,937)	17,267,972	12,432,201	22,571,256
Totals	$ 797,526,729	829,721,817	852,983,851	957,236,923	1,008,233,814	1,088,845,527
Medical Program Deductions by						
Claims	$ 672,515,577	804,162,806	813,687,096	844,662,167	961,373,627	998,553,022
Provision for unpaid claims	14,706,077	18,718,639	(5,357,952)	31,938,497	(18,910)	8,257,303
Experienced dividends	45,636,364	10,185,453	4,825,181	8,232,045	2,782,074	2,147,979
Commissions	4,607,858	4,497,010	4,579,015	5,177,115	4,883,289	5,328,674
Administrative expense and other	31,692,050	32,175,708	33,180,093	35,952,308	37,327,774	41,168,769
Totals	$ 769,157,926	869,739,616	850,913,433	925,962,132	1,006,347,854	1,055,455,747
Medical Program Contingency						
Total assets available to pay benefits	$ 409,359,805	374,273,350	355,522,051	418,410,842	427,000,513	463,997,716
Total liabilities and reserves	118,860,089	123,791,433	102,969,713	134,583,712	141,287,423	144,894,846
Ending plan contingency reserve	$ 290,499,716	250,481,917	252,552,338	283,827,130	285,713,090	319,102,870

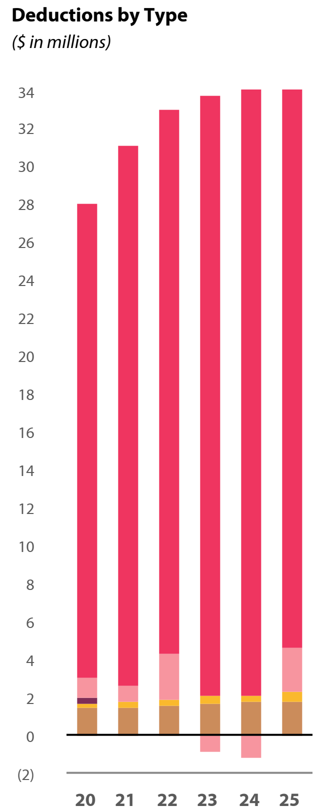
Public Employees Health Program

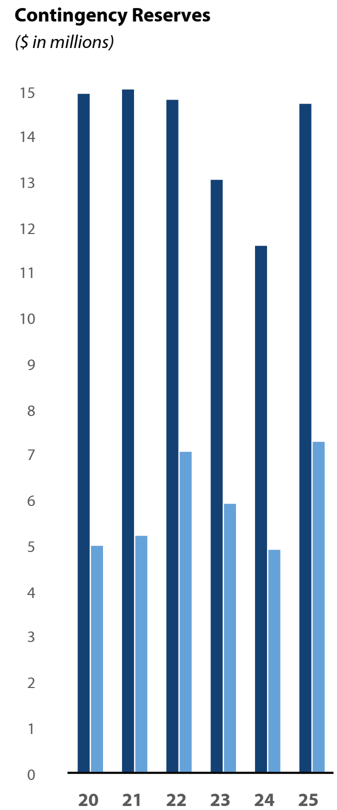
Dental Program Highlights

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)*





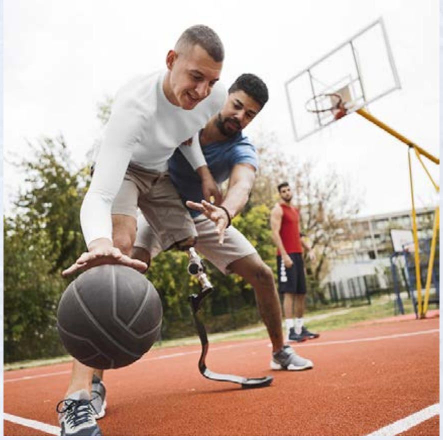


		2020	2021	2022	2023	2024	2025
Count of Membership							
Dental Enrollment		100,632	102,819	103,358	105,392	103,893	105,345
Dental Program Additions by Source							
Premiums and service fees	$	30,560,203	31,061,050	31,595,726	31,813,014	32,710,641	34,613,513
Net investment income		478,029	(66,524)	(662,726)	579,323	410,836	757,183
Totals	$	31,038,232	30,994,526	30,933,000	32,392,337	33,121,477	35,370,696
Dental Program Deductions by Type							
Claims	$	25,020,752	28,406,461	28,716,522	31,740,432	32,568,097	29,947,321
Provision for unpaid claims		1,041,874	898,608	2,388,485	(836,216)	(1,132,023)	2,295,037
Experienced dividends		287,932	—	—	—	(18,022)	—
Commissions		235,923	294,542	399,432	436,713	387,197	497,596
Administrative expense and other		1,476,038	1,500,377	1,543,322	1,643,787	1,769,576	1,850,186
Totals	$	28,062,519	31,099,988	33,047,761	32,984,716	33,574,825	34,590,140
Dental Program Contingency Reserves							
Total assets available to pay benefits	$	14,944,965	15,070,154	14,815,058	13,072,473	11,595,330	14,748,293
Total liabilities and reserves		5,009,023	5,239,674	7,099,341	5,949,135	4,925,340	7,297,747
Ending plan contingency reserve	$	9,935,942	9,830,480	7,715,717	7,123,338	6,669,990	7,450,546

Public Employees Health Program

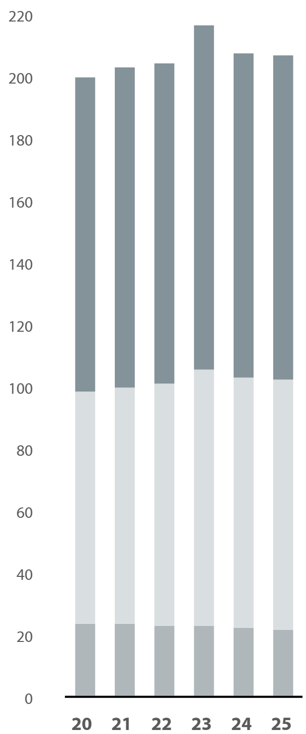
Group Term, Accidental Death & Dismemberment (AD&D), and Retiree Life Insurance Highlights

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.

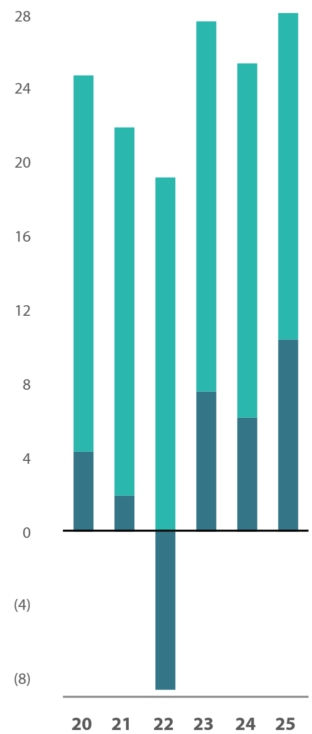


Group Term, Accidental Death and Dismemberment (AD&D) and Retiree Life Insurance Highlights *(Concluded)*

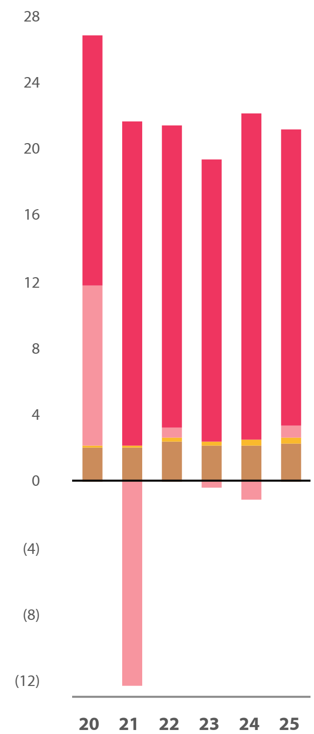
Total Membership Enrollment
(in thousands)



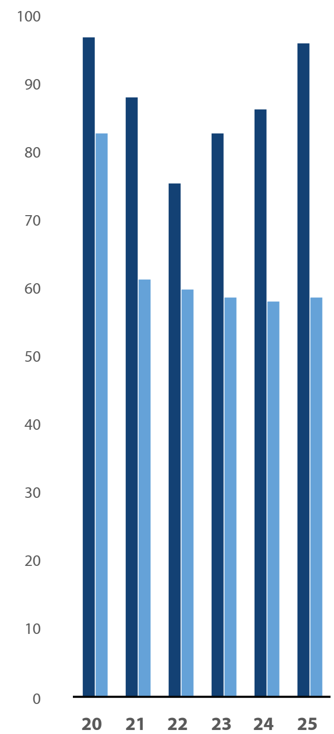
Additions by Source
($ in millions)



Deductions by Type
($ in millions)



Contingency Reserves
($ in millions)



	2020	2021	2022	2023	2024	2025
Count of Membership						
● Term life	101,373	102,925	103,137	111,174	103,961	104,174
● AD&D	75,239	76,646	77,765	82,713	80,930	80,574
● Retiree life	23,684	23,626	23,521	23,127	22,591	22,140
Totals	200,296	203,197	204,423	217,014	207,482	206,888
Life Program Additions by Source						
● Premiums and service fees	$ 20,335,998	19,969,388	19,179,765	20,157,953	19,208,542	19,919,953
● Net investment income	4,370,395	1,985,791	(8,604,496)	7,555,147	6,143,560	10,388,487
Totals	$ 24,706,393	21,955,179	10,575,269	27,713,100	25,352,102	30,308,440
Life Program Deductions by Type						
● Claims	$ 15,044,818	19,548,501	18,181,328	16,946,842	19,571,480	17,778,524
● Provision for unpaid claims	9,693,267	(12,233,890)	636,311	(364,625)	(1,103,803)	804,623
● Experienced dividends	—	—	—	—	(31)	—
● Commissions	55,425	113,303	257,541	257,541	359,136	356,450
● Administrative expense and other	2,047,418	1,997,279	2,336,019	2,141,211	2,204,201	2,247,161
Totals	$ 26,840,928	9,425,193	21,411,199	18,980,969	21,030,983	21,186,758
Life Program Contingency Reserves						
● Total assets available to pay benefits	$ 96,909,968	87,864,899	75,286,327	82,739,453	86,222,923	95,945,817
● Total liabilities and reserves	82,694,050	61,429,654	59,687,012	58,781,590	57,943,941	58,545,153
Ending plan contingency reserve	$ 14,215,918	26,435,245	15,599,315	23,957,863	28,278,982	37,400,664

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.

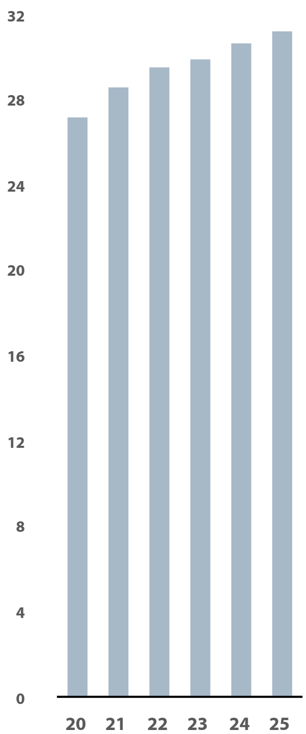
After 24 months of LTD:
Must be unable to perform any gainful employment due to physical disability (includes sedentary work).

Maximum Benefit:
Age 65 or retirement with Utah Retirement Systems.

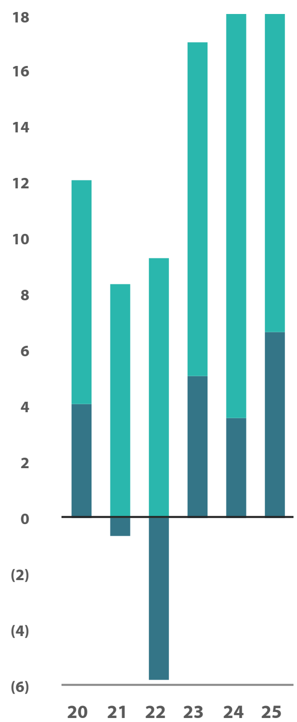
Line of Duty Benefit:
(External Force/Violence) 100% of regular salary.

Long-Term Disability Insurance (LTD) Highlights *(Concluded)*

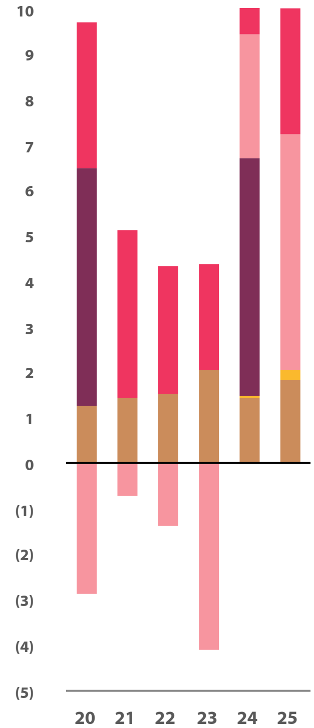
Total Membership Enrollment
(in thousands)



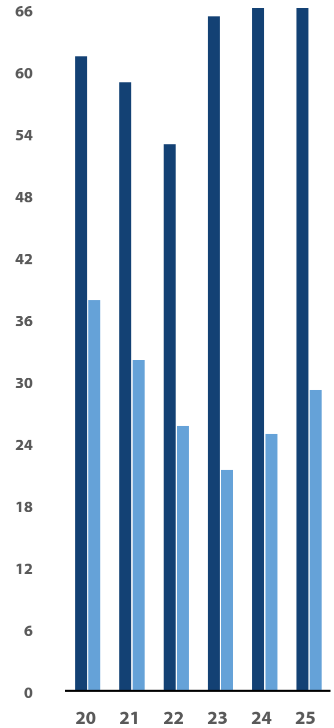
Additions by Source
($ in millions)



Deductions by Type
($ in millions)



Contingency Reserves
($ in millions)

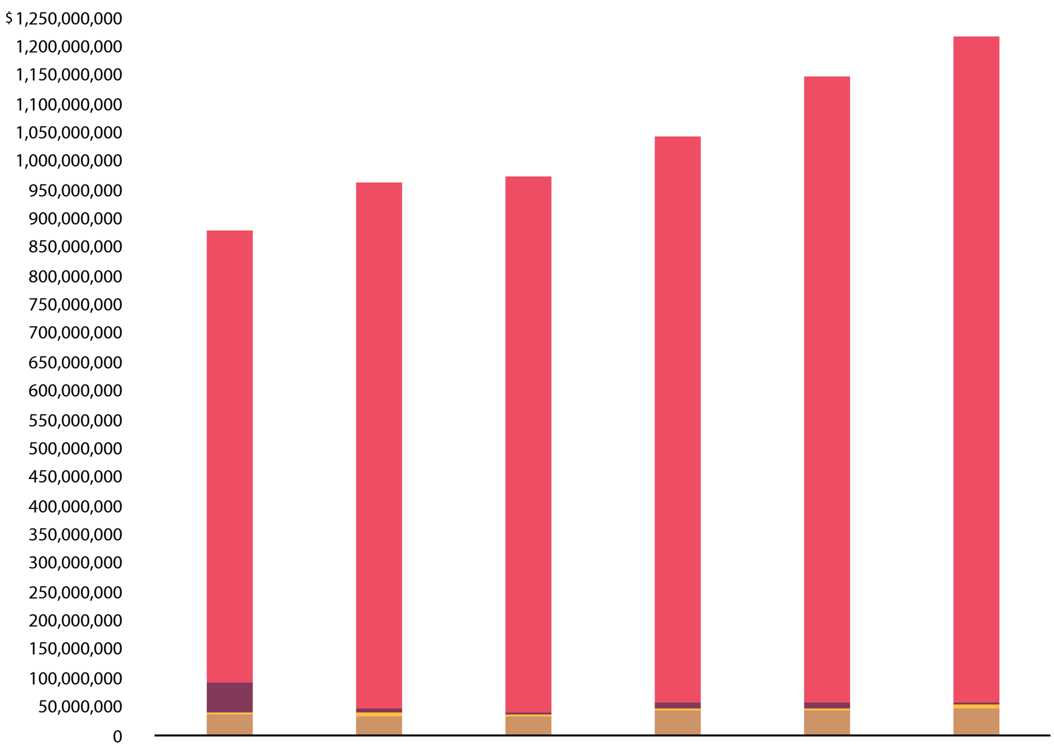


	2020	2021	2022	2023	2024	2025
Count of Membership						
Total LTD Enrollment	29,562	29,925	30,674	31,278	32,094	31,415
LTD Program Additions by Source						
Premiums and service fees	$ 8,052,257	8,431,983	9,309,980	12,018,097	14,974,138	14,809,117
Net investment income	4,072,448	(610,534)	(5,816,511)	5,084,523	3,605,768	6,645,536
Totals	$ 12,124,705	7,821,449	3,493,469	17,102,620	18,579,906	21,454,653
LTD Program Deductions by Type						
Claims	$ 3,212,218	3,684,070	2,817,550	2,329,641	2,860,181	2,759,165
Provision for unpaid claims	(2,836,762)	(680,563)	(1,363,735)	(4,054,601)	2,748,084	5,179,117
Experienced dividends	5,241,000	—	—	—	5,237,771	—
Commissions	—	—	—	—	45,616	206,475
Administrative expense and other	1,296,905	1,470,690	1,553,985	2,101,909	1,445,681	1,871,725
Totals	$ 6,913,361	4,474,197	3,007,800	376,949	12,337,333	10,016,482
LTD Program Contingency Reserves						
Total assets available to pay benefits	$ 61,478,745	59,052,579	53,105,911	65,467,412	75,234,956	91,032,295
Total liabilities and reserves	37,993,333	32,219,915	25,787,581	21,423,411	24,948,382	29,307,550
Ending plan contingency reserve	$ 23,485,412	26,832,664	27,318,330	44,044,001	50,286,574	61,724,745

Public Employees Health Program

Deductions by Type

Calendar Year Ending December 31



	2020	2021	2022	2023	2024	2025
Claims	$ 787,867,601	916,817,922	931,384,846	988,067,193	1,089,639,653	1,159,036,746
Experienced dividends	51,165,296	7,745,208	4,825,181	8,232,045	8,001,792	2,147,979
Commissions	4,977,756	4,918,364	5,254,350	5,942,877	5,695,246	6,408,965
Admin expense and other	37,601,305	35,362,956	33,160,091	43,864,731	44,294,787	50,005,910
Totals	$ 881,611,958	964,844,450	974,624,468	1,046,106,846	1,147,631,478	1,217,599,600

Auditor's Report

CPAs & BUSINESS ADVISORS

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 years ended December 31, 2025 and 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, 2025 and 2024, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 the 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 the 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 annual report. 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, 2025 and 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 June 24, 2026 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 the 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
June 24, 2026

Auditors Report *(Concluded)*

EideBailly

CPAs & BUSINESS ADVISORS

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, 2025, 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 June 24, 2026.

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.

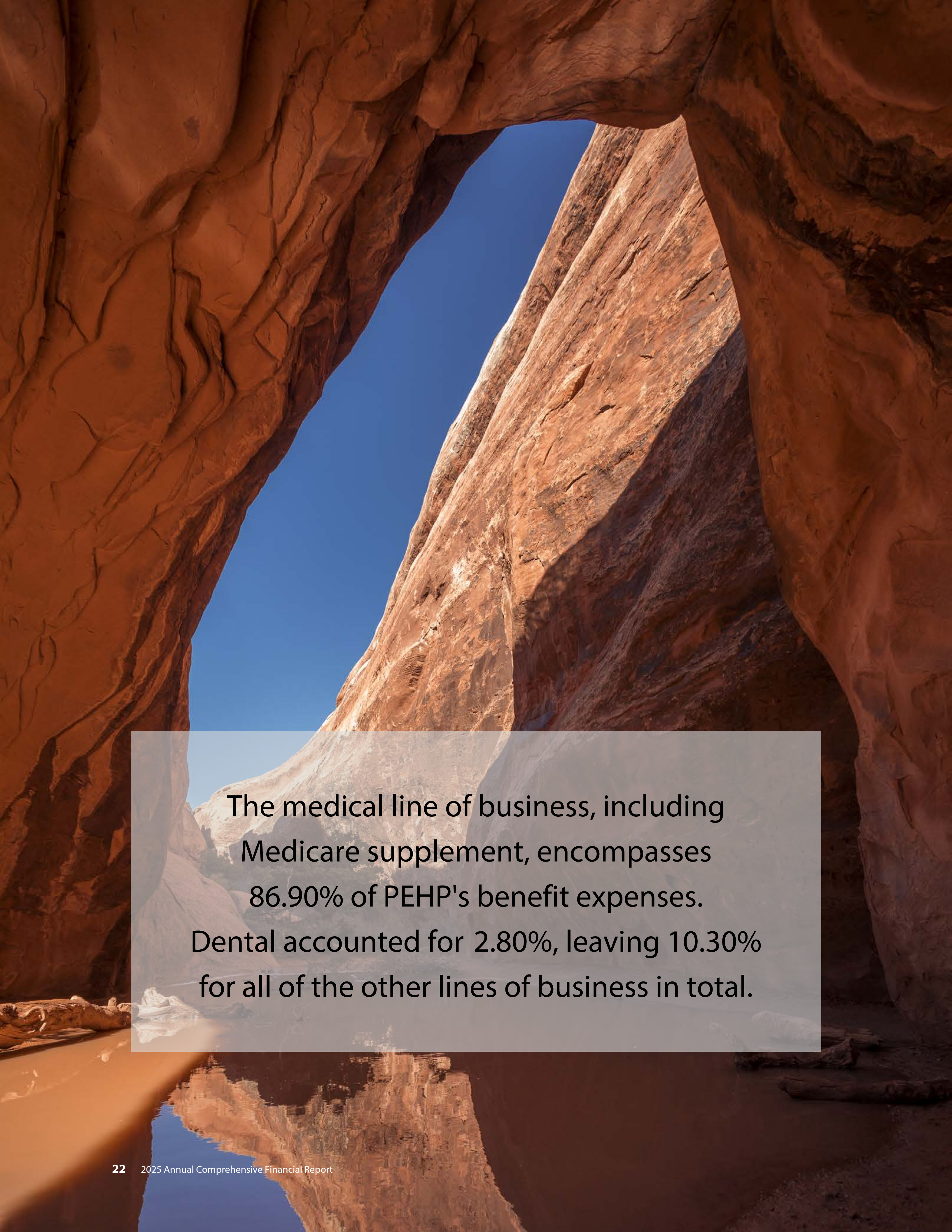
Purpose of this Report

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.

Eide Bailly LLP

Salt Lake City, Utah

June 24, 2026



The medical line of business, including Medicare supplement, encompasses 86.90% of PEHP's benefit expenses. Dental accounted for 2.80%, leaving 10.30% for all of the other lines of business in total.

Public Employees Health Program

Management Discussion and Analysis

For the Year Ended December 31, 2025

Overview

This Management's Discussion and Analysis (MD&A) provides an overview of the financial activities of the Public Employees Health Program (PEHP) for the year ended December 31, 2025. The discussion includes financial highlights, analysis of changes in net position, results of operations, and key factors affecting PEHP's financial condition. The financial statements are prepared in accordance with accounting principles established by the Governmental Accounting Standards Board (GASB).

PEHP maintained a strong financial position throughout 2025, supported by prudent reserve management, stable membership, disciplined premium-setting practices, and continued operational efficiency. Premium revenues, claims experience, and investment income all contributed to positive financial results for the year.

Financial Condition

PEHP collaborates with participating employer groups and certified actuaries to establish premium rates that maintain appropriate reserve levels for each risk pool. Reserve requirements vary by program based on factors such as risk exposure, claims experience, and long-term program sustainability.

Over the past five years, premium revenues have consistently exceeded total claims, with loss ratios ranging from 88.1% to 96.7%. These ratios reflect strong underwriting discipline, effective cost-containment strategies, and timely actuarial adjustments. Lower loss ratios experienced during 2020 were largely due to deferred elective procedures and reduced utilization during the COVID-19 pandemic.

Administrative costs have remained stable and efficient across the same five-year period, with administrative expense ratios ranging from 3.7% to 4.1%, demonstrating effective stewardship of resources and disciplined operational management.

Reserves and Net Position

Total contingency and benefit reserves increased $70.6 million during 2025. The primary program-level changes were as follows:

- Medical Program: Increased $33.4 million, primarily due to premium revenue exceeding overall program expenses and favorable investment income of $22.6 million.
- Dental Program: Decreased $780.6 thousand, primarily due to higher utilization and administrative and commission expenses of $34.6 million exceeding total program revenues of $35.4 million. The plan had net investment income of $757.2 thousand.
- Long-Term Disability (LTD): Increased $11.4 million due to premium income of $14.8 million and investment income of $6.6 million, which exceeded paid and estimated claims and expenses of $10.0 million.
- Term Life: Decreased $3.0 million due to higher-than-expected death claims. Investment income totaled $2.9 million.
- Retiree Life: Increased $6.1 million, primarily due to net investment income of $7.4 million and a $666.3 thousand decrease in actuarially determined reserves.
- Reinsurance Program: Increased $17.9 million from favorable large-claim experience and investment income of $11.8 million.
- Total ending net position on December 31, 2025, was $572.3 million, compared to $501.8 million at year-end 2024.

Financial Statements Summary

The financial statements for PEHP are prepared on the accrual basis of accounting in accordance with GASB standards. Premium revenues are recognized as earned, and insurance benefit expenses are recognized when claims are incurred. PEHP is reported as a discrete component unit of the State of Utah.

Management's Discussion and Analysis *(Continued)*

December 31, 2025

Summary of Net Position at December 31 is as follows:

	2025	2024	2025 Increase (Decrease)	2025 Percentage Change
Assets and Outflows:				
Cash, cash equivalents, and investments	$ 756,094,333	672,313,462	83,780,871	12.7%
Receivables	68,204,912	77,544,869	(9,339,957)	(14.0)
Capital assets	35,759,783	34,531,404	1,228,379	3.6
Total assets	860,059,028	784,389,735	75,669,293	9.6
Liabilities and Inflows:				
Claims and other	217,043,112	216,712,952	330,160	0.2
Life and long-term disability	70,683,241	65,901,639	4,781,602	7.3
Total liabilities	287,726,353	282,614,591	5,111,762	1.8
Net Position:				
Restricted for claim contingency reserves	524,190,295	451,572,183	72,618,112	16.1
Restricted for benefits	48,142,380	50,202,961	(2,060,581)	(4.1)
Total net position	$ 572,332,675	501,775,144	70,557,531	14.1%

Summary of Changes in Net Position for Years Ended December 31, 2025, and 2024:

	2025	2024	2025 Increase (Decrease)	2025 Percentage Change
Revenues:				
Premiums and fees	$ 1,239,940,999	1,159,502,038	80,438,961	6.9%
Investment income	48,216,132	27,976,894	20,239,238	72.3
Total revenues	1,288,157,131	1,187,478,932	100,678,199	8.5
Expenses:				
Insurance benefits	1,161,184,725	1,097,641,449	63,543,276	5.8
Administrative and other expenses	56,414,875	49,990,033	6,424,842	12.9
Total benefits and expenses	1,217,599,600	1,147,631,482	69,968,105	14.9
Revenues over (under) benefits and expenses	70,557,531	39,847,450	30,710,081	77.1
Net Position:				
Beginning of year, restricted for claim contingency reserves	451,572,183	414,513,633	37,058,550	8.9
Beginning of year, restricted for benefits	50,202,961	47,414,061	2,788,900	5.9
Ending of year, restricted for claim contingency reserves	524,190,295	451,572,183	72,618,112	16.1
Ending of year, restricted for benefits	48,142,380	50,202,961	(2,060,581)	(4.1)
Ending net position, restricted	$ 572,332,675	501,775,144	70,557,531	14.1%

Financial Analysis

Key financial highlights for 2025 include:

- **Cash, investments, and securities lending collateral** increased by $85.3 million, primarily from strong operating cash flows of $47.0 million and favorable market performance as interest rates declined and financial markets strengthened.
- **Receivables** decreased by $10.8 million, largely due to timing of premium collections.
- **Capital assets** increased by $1.23 million, reflecting continued investment in PEHP's core administrative systems and technology infrastructure.
- **Total liabilities** increased modestly to $287.7 million, largely driven by increases in reported claims and actuarially estimated incurred-but-not-reported (IBNR) liabilities.
- **Budgetary Highlights:** PEHP prepares budgets only for administrative expenses and capital assets because the risk pools are owned by participating employers, and no legally adopted budget exists for premiums or insurance benefit expenses. For the fiscal years ended June 30, 2025 and June 30, 2024, administrative expenses were approximately $1.9 million and $1.3 million under budget, respectively. These results reflect continued operational discipline and effective cost management within administrative functions.

Capital Assets and Long-Term Financing Activity

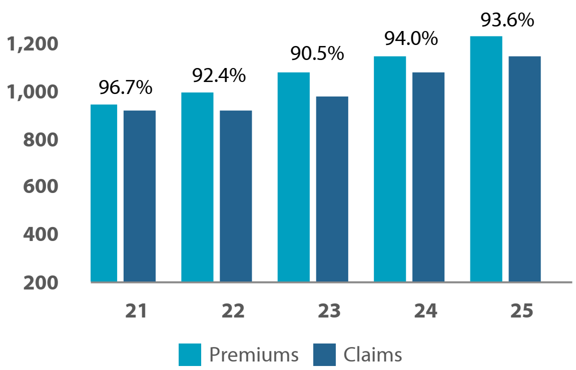
PEHP's capital assets increased during 2025 primarily due to progress on its multi-year systems modernization initiative. Software construction in progress rose by approximately $3.0 million, increasing from $13.16 million to $16.15 million as the new claims and policy administration system reached full implementation by year-end. The completed software will be amortized over a ten-year period beginning in 2026. Other capital assets, including furniture, equipment, and vehicles, experienced minor routine disposals totaling about $36,000. Overall, total capital assets grew from $38.44 million to $41.39 million, and net capital assets ended the year at $35.76 million.

PEHP does not engage in any long-term financing activities. All capital additions—including the systems modernization initiative—are funded entirely through administrative revenues and available reserves.

Claims Experience and Cost Ratios

PEHP's five-year trend in premiums, claims, and loss ratios shows consistent and disciplined claims management. As illustrated in the chart "All Programs – Premiums, Claims, and Loss Ratio — Five-Year Trend":

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



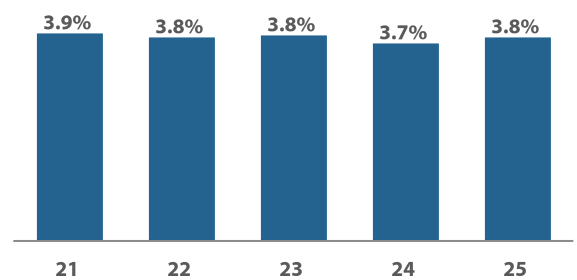
- Loss ratios ranged from 90.5% to 96.7%, reflecting strong alignment between premiums and claims costs.
- The 2025 loss ratio of 93.6% remains within actuarially targeted ranges and reflects normal utilization patterns.
- Growth in premium revenue kept pace with rising medical and pharmacy costs, supporting reserve growth and program sustainability.

This trend reinforces PEHP's ability to manage claims effectively despite pressures from medical inflation and higher utilization in certain benefit categories.

Administrative Efficiency

Administrative expenses remain well-controlled relative to industry benchmarks. As shown in the chart "Administrative Expense Ratio – Five-Year Trend":

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



- Administrative expense ratios ranged from 3.7% to 3.9% over the past five years.
- The 2025 ratio of 3.8% demonstrates stable administrative spending despite technology upgrades and modernization initiatives.

These levels reflect PEHP's continued commitment to operational efficiency and responsible resource management.

Investment Performance

PEHP's investment portfolio performed strongly in 2025:

- Total fund return: 7.92%, exceeding the benchmark return of 7.60%.
- Returns were positive across fixed income, diversified, and cash portfolios.

Investment income of $48.2 million contributed meaningfully to reserve growth and enhanced overall financial stability.

Strategic Factors Influencing 2025 Results

PEHP's 2025 financial results were shaped by a combination of operational, economic, and demographic factors. Premium revenues continued to grow at a pace consistent with underlying healthcare cost trends, supported by stable employer participation and an active focus on plan design and rate adequacy. Claims experience remained favorable overall, influenced by steady utilization growth in outpatient services and pharmacy, alongside moderation in large-claim volatility within the reinsurance program.

Investment performance further strengthened financial results as market conditions improved through the year, contributing meaningful earnings across fixed income and diversified asset classes. Updated actuarial estimates for incurred-but-not-reported claims reflected current experience patterns and contributed to a refinement of liability levels.

PEHP also continued to navigate broader industry pressures, including pharmacy cost escalation, shifts in member demographics, and anticipated increases in medical inflation. System modernization efforts—particularly enhancements to billing, claims processing, and data infrastructure—supported operational efficiency and positioned the organization for continued service improvements.

These combined factors underscore PEHP's forward-looking focus on sustaining reserve adequacy, managing healthcare cost drivers, and maintaining operational stability.

Currently Known Facts, Decisions, or Conditions

This section includes only those matters known at the time of issuance that may materially influence PEHP's future financial position Healthcare cost pressures, including medical inflation and pharmacy cost escalation, are expected to affect premium-setting for 2026. Ongoing system modernization efforts are anticipated to enhance operational efficiency and service delivery. No unusual or infrequent events occurred after year-end that would materially affect PEHP's financial condition.

Outlook

PEHP enters 2026 with strong reserves, stable employer participation, and continued operational discipline. Healthcare cost pressures—including medical inflation, pharmacy cost escalation, and shifts in utilization patterns—are expected to remain important drivers in the coming year. PEHP will continue to monitor these trends closely and adjust premium-setting, plan design, and risk-management strategies as needed to maintain long-term program sustainability.

Recent investments in billing modernization, claims processing systems, and data infrastructure have strengthened operational efficiency and will continue to support enhancements in service delivery, financial reporting, and analytical capabilities. These improvements position PEHP to respond effectively to evolving needs across its employer groups and membership.

Management remains focused on maintaining adequate reserves, controlling healthcare cost growth, supporting the needs of stakeholders, and ensuring the continued delivery of high-quality, cost-effective benefits to Utah's public employees and their families.

Conclusion

PEHP's financial performance in 2025 reflects stability, prudent reserve management, and continued operational efficiency. Strong reserves, disciplined cost control, and strategic investments in administrative systems position PEHP to meet the healthcare needs of its employer groups and members while maintaining long-term program sustainability.

Public Employees Health Program

Statement of Net Position

As of December 31, 2025 and 2024

	2025	2024
Assets:		
Current Assets:		
Cash and cash equivalents	270,731,712	220,444,261
Receivables:		
Premiums and service fees	45,826,260	57,405,855
Securities and interest receivable	3,283,700	3,352,268
Invested securities lending collateral	1,506,016	6,285,442
Other receivables	17,588,936	16,786,746
Total current assets	338,936,624	304,274,572
Noncurrent Assets:		
Investments	485,362,621	445,583,759
Capital assets (net of accumulated depreciation/amortization)	35,759,783	34,531,404
Total noncurrent assets	521,122,404	480,115,163
Total assets	**860,059,028**	**784,389,735**
Liabilities:		
Current Liabilities:		
Claims payable	99,846,156	60,372,848
Estimated liability for claims incurred by not reported	50,342,086	78,060,916
Premiums payable	777,515	192,639
Unearned premiums	3,700,135	4,392,031
Accrued expense payable	7,488,872	15,618,762
Taxes payable	2,967	19,119
Experience dividend payable	1,084,238	3,403,768
Security lending liability	1,506,016	6,285,442
Total current liabilities	164,747,985	168,345,525
Noncurrent Liabilities:		
Life insurance reserves	54,987,577	53,938,568
Long term disability claim reserves	15,636,642	11,877,220
Long term disability medical premium reserves	59,022	85,851
Due to other agencies and other liabilities	52,295,127	48,367,427
Total noncurrent liabilities	122,978,368	114,269,066
Total liabilities	**287,726,353**	**282,614,591**
Net Position:		
End of year, restricted for claim contingency reserve	524,190,295	451,572,183
End of year, restricted for benefits	48,142,380	50,202,961
Total net position	**572,332,675**	**501,775,144**

The notes to the financial statements are an integral part of this statement.

Public Employees Health Program

Statement of Changes in Net Position

For the years ended, December 31, 2025 and 2024

	2025	2024
Revenues:		
Premiums earned, service fees, and other revenue, net of refunds	$ 1,203,989,312	$ 1,134,831,304
Federal subsidy	26,538,017	17,090,920
Employer contributions	9,411,867	7,395,569
Net investment income	48,216,132	27,976,894
Miscellaneous income	1,803	184,245
Total Revenues	1,288,157,131	1,187,478,932
Expenses:		
Claims	1,142,500,666	1,089,146,309
Change in unpaid claims uncurred but not reported	16,536,080	493,348
Experience dividends	2,147,979	8,001,792
Total Insurance Benefits	1,161,184,725	1,097,641,449
Administrative and other expenses:		
Administrative expenses	46,977,696	42,599,215
Commissions	6,408,965	5,695,246
PPACA fees	321,778	304,505
Other	2,706,436	1,391,067
Total expenses	1,217,599,600	1,147,631,482
Revenues over (under) expenses	70,557,531	39,847,450
Net position:		
Beginning of year, restricted for claim contingency and benefits	501,775,144	461,927,694
End of year, restricted for claims contingency and benefits	$ 572,332,675	$ 501,775,144

The notes to the financial statements are an integral part of this statement.

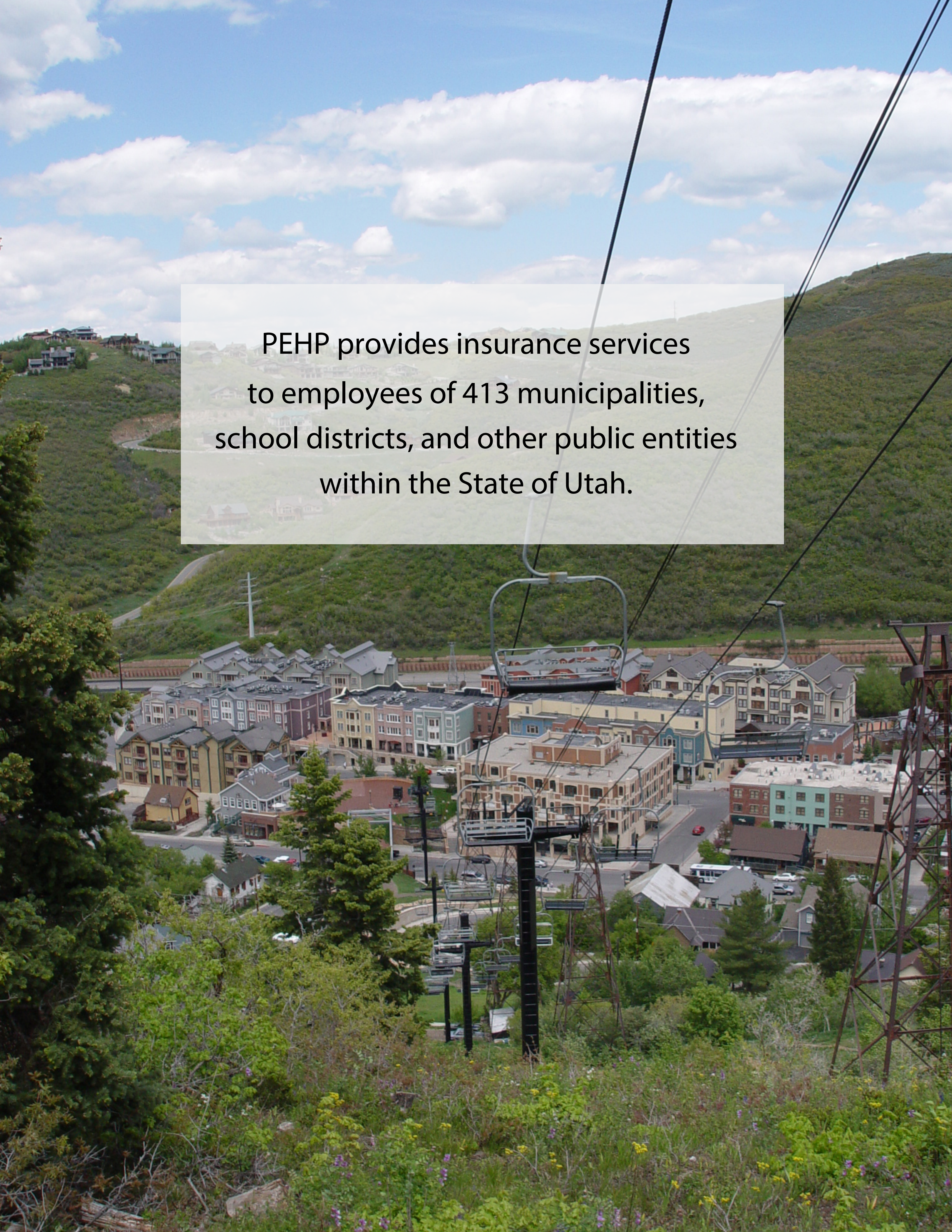
Public Employees Health Program

Statement of Cash Flow

For the years ended, December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from premiums and service fees	$ 1,250,828,763	$ 1,157,595,290
Cash paid for insurance benefits	(1,141,921,065)	(1,089,088,379)
Cash paid for administrative and other expenses	(57,445,040)	(36,278,963)
Policyholder experience dividends paid	(4,467,509)	(7,620,273)
Net cash provided by operating activities	46,995,149	24,607,675
Cash flows from investing activities:		
Investment income	26,058,167	24,219,543
Proceeds from maturities of sales of fixed income securities	74,024,203	132,198,831
Purchases of fixed income securities	(91,576,534)	(150,820,205)
Net cash provided by investing activities	8,505,836	5,598,169
Cash flows from capital and related financing activities		
Funds used in payment of right to use assets	(1,278,718)	(1,221,893)
Acquisitions of capital assets	(2,989,742)	(3,792,629)
Interest paid	(945,074)	(1,001,899)
Net Cash (used) by financing activities	(5,213,534)	(6,016,421)
Net increase (decrease) in cash and cash equivalents	50,287,451	24,189,423
Cash and cash equivalents at beginning of year	220,444,261	196,254,838
Cash and cash equivalents at end of year	270,731,712	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	70,557,531	39,847,450
Adjustments to reconcile revenue over (under) benefits and expenses to net cash provided (used) by operating activities:		
Amortization	1,761,362	1,761,362
Interest expense SBITA	945,074	1,001,899
Net investment income	(48,216,132)	(27,976,894)
OPEB related items	—	350,917
Pension related items	—	(1,723,111)
Change in assets and liabilities:		
Premiums and service fees receivables	11,580,018	(3,930,225)
Employer contributions	(425)	425
Other receivables	(802,187)	2,951,755
Claims payable	39,473,310	(25,134,561)
Estimated Liability for claims incurred but not reported	(27,718,829)	23,647,582
Life insurance reserves	1,049,009	(204,995)
Long term disability claim reserves	3,759,422	2,369,611
Long term disability medical premium reserves	(26,829)	(184,289)
Experience dividend payable	(2,319,530)	381,519
Due to other agencies and other liabilities	5,201,204	2,761,487
Premium payables	584,877	43,574
Unearned premiums	(691,898)	2,023,048
Accrued expense payable	(8,124,676)	6,628,555
Taxes payable	(16,152)	(7,434)
Net cash provided by operating activities	$ 46,995,149	$ 24,607,675

The notes to the financial statements are an integral part of this statement.



PEHP provides insurance services to employees of 413 municipalities, school districts, and other public entities within the State of Utah.

Public Employees Health Program

Notes to Financial Statements

For the Year Ended December 31, 2025

Note 1

Summary of Significant Accounting Policies

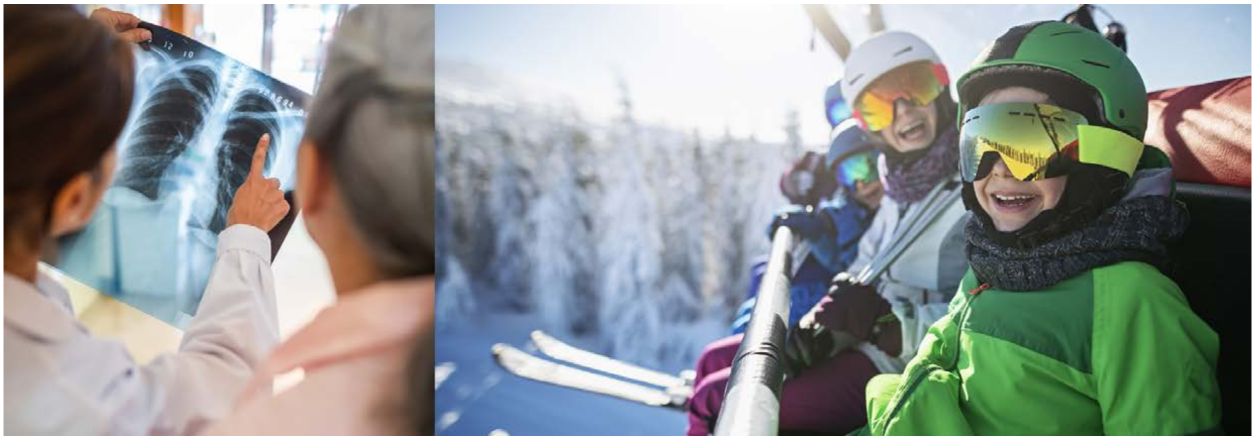
Organization and Nature of Business

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 413 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 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, 2025 and 2024. During the years ended December 31, 2025, and 2024, PEHP collected medical reinsurance premiums of $94,910,475 and $89,223,689 respectively.



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, 2025 and 2024, PEHP paid $681,354 and $183,295 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 for governmental entities 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.

Notes to Financial Statements *(Continued)*
December 31, 2025

Corporate debt securities are valued based on yields currently available on comparable securities of issuers with similar 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 lessor 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) effective January 1, 2023. The implementation of this standard establishes that a SBITA results in a right-to-use subscription 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 2.5% for one year, followed by a discount rate of 1.70% thereafter to calculate the present value of estimated future cash payments as of December 31, 2025 and 2024. Income benefits are assumed to increase 2.5% per year. and medical premiums are assumed to increase 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, 2025 and 2024, was $48,142,380 and $50,202,961, respectively.

Notes to Financial Statements *(Continued)*

December 31, 2025

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.

Reserves at are higher at December 31, 2025, compared to June 30, 2026. At December 31, 2025, the restricted claim contingency reserve is expected to exceed the balance at June 30, 2026. This variance occurs because most PEHP plan members are mid-way through their plan year at calendar year-end. As the plan year progresses, claim costs generally increase, resulting in a greater share of costs being borne by the plan and producing higher reserve levels at December 31 than at the subsequent June 30 fiscal year-end.

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.

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, 2025 and 2024.

Administrative Expense Reserve

Administrative expense reserves are established for the administrative costs of losses incurred as of the balance sheet date that have not been received or processed. When establishing rates charged to members the costs to administer the expected claims is priced within the rates provided. The amount of reserve carried as an other liability was $24.6 million and $15.9 million as of December 31, 2025 and 2024.

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.

Notes to Financial Statements *(Continued)*

December 31, 2025

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 28 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.

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.

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

Notes to Financial Statements *(Continued)*
December 31, 2025

Note 2

Cash and Investments

Listed below is a summary of the deposit and investment portfolios as of December 31, 2025 and 2024. 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 statues.

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 ($4,571,993), and ($8,384,658) as of December 31, 2025 and 2024, respectively. The corresponding bank balance of the deposits was $2,611,271 and $271,910 as of as of December 31, 2025 and 2024, 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 InfraFI Insured Cash Sweep (ICS), deposits are fully insured by the FDIC. As of December 31, 2025, $250,000 of the deposits are insured by the FDIC standard coverage, and the remaining amounts of $176,369,677 and $128,098,726, respectively, are covered by the IntraFi Network, ensuring full FDIC insurance for cash balances. The IntraFI Network 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, 2025, and 2024.

	2025	2024
Insured Cash Sweep (ICS)	$ 173,008,850	$ 128,904,915
Cash on deposit with operating bank	(4,571,993)	(8,384,658)
Cash on deposit with custodial bank	102,294,855	99,924,004
Total	$ 270,731,712	$ 220,444,261

Notes to Financial Statements *(Continued)*

December 31, 2025

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.

The deposits with custodial bank and fund manager as of December 31, 2025 and 2024 were $340,263 and $0, 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, 2025, and 2024 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, 2025 and 2024, respectively.

	2025	2024
Cash and cash equivalents	$ 270,731,712	$ 220,444,261
Investments	425,277,366	392,987,649
Diversified funds measured at NAV	60,085,255	52,596,111
Invested securities lending collateral	1,506,016	6,285,442
Total	$ 757,600,349	$ 672,313,463

Investment Type *As of December 31, 2025* *(In thousands)*	Fair Value	Investment Maturities (in thousands) Less Than 1	1-5	6-10	11-20	More Than 20
Asset-Backed Securities	$ 36,544	—	15,982	43	15,449	5,070
Corporate Bonds	137,901	15,966	101,566	18,742	1,627	—
U.S. Government Agencies	4,581	1,050	3,531	—	—	—
U.S. Treasuries	75,935	2,006	31,442	42,487	—	—
Government-Backed Mortgage Securities	162,506	5	775	1,823	10,179	149,724
Municipal Bonds	5,509	312	267	4,062	868	—
Non-Government Backed CMO's	96	—	—	96	—	—
Other Fixed Income	350	350	—	—	—	—
Total Investments	$ 423,422	19,689	153,563	67,253	28,123	154,794

Investment Type *As of December 31, 2024* *(In thousands)*	Fair Value	Investment Maturities (in Years) 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

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 3.22 to 5.36 and 3.35 to 5.59 as of December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the portfolio was within the policy guidelines.

Notes to Financial Statements *(Continued)*

December 31, 2025

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 (NR.SROs) 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, 2025 and 2024 are presented below.

Investment Type

As of December 31, 2025 *(In thousands)*

	Fair Value	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	NR
U.S. Treasuries	$ 75,935	—	—	—	—	—	—	—	—	—	—	—	—	—	75,935
U.S. Government Agencies	4,581	1,400	—	—	—	—	—	—	—	2,956	—	—	—	—	225
Corporate Bonds	137,901	—	965	—	3,196	4,036	9,789	25,414	33,046	43,331	17,067	—	—	—	1,057
Government Mortgage-Backed Securities	162,506	—	—	—	—	—	—	—	—	—	—	—	—	—	162,506
Asset-Backed Securities	36,544	7,296	15,449	—	—	—	—	—	—	—	—	—	—	—	13,799
Municipal Bonds	5,509	311	—	—	2,180	267	—	2,750	—	—	—	—	—	—	—
Non-Government Backed CMO's	96	—	—	—	—	—	—	—	—	—	—	—		—	96
Other Fixed Income	350														350
Total investments	$ 423,422	9,007	16,414	—	5,376	4,304	9,789	28,164	33,046	46,287	17,067	—	—	—	253,969

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
Securities Lending Cash Collateral	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
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

Notes to Financial Statements *(Continued)*
December 31, 2025

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, 2025, and 2024, PEHP had pledged non-cash collateral of $1,506,016 and $6,285,442, respectively.

As of December 31, 2025 and 2024, PEHP had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed . The securities on loan as of December 31, 2025 and 2024 were $1,469,218 and $6,144,726 respectively, and the cash and noncash collateral received for those securities on loan was $ $928,096 and $1,055,956, 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, 2025

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, 2025 (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, 2025

(in thousands)

		Fair Value Measurements Using		
Investments	**Fair Value**	**Level 1 Input**	**Level 2 Inputs**	**Level 3 Inputs**
Asset-Backed Securities	$ 36,544	—	36,544	—
Corporate Bonds	137,901	—	137,901	—
U.S. Government Agencies	4,581	—	4,581	—
U.S. Treasuries	75,935	—	75,935	—
Government Backed Mortgage Securities	162,506	—	153,002	9,504
Municipal Bonds	5,509	—	5,509	—
Non-Government Backed CMO's	96	—	—	96
Other Fixed Income	350	—	350	—
Equities	1,854	1,854	—	—
Total investments	$ 425,277	1,854	413,823	9,600

Investments Measured at NAV (in thousands)	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Diversified funds	$ 60,085	—	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, 2025

Note 3
Claims Payable and Benefit Reserves

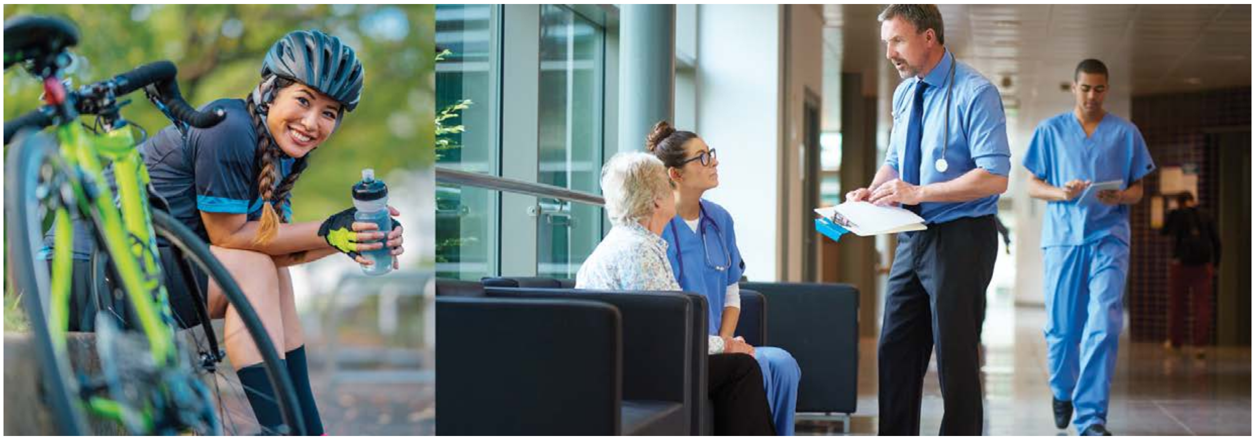
Claims payable represent claims which have been reported to PEHP as of the valuation date. A liability for the estimate of claims incurred but not reported to PEHP as of the valuation date has also been recorded.

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

	2025				
	Medical/ Dental	LTD	Term Life	Retiree Life	Total
IBNR Balance January 1st	$ 123,155,830	$ 23,837,287	$ 4,978,322	$ 52,363,964	$ 204,335,403
Incurred claims related to:					
Current Year	1,168,297,065	7,938,283	9,254,931	7,185,177	1,192,675,456
Prior Year	(35,781,756)	—	2,143,039	—	(33,638,717)
Total incurred claims	1,132,515,309	7,938,283	11,397,970	7,185,177	1,159,036,739
Paid claims related to:					
Current Year	996,570,345	2,759,166	9,116,644	6,518,841	1,014,964,996
Prior Year	125,392,624	—	2,143,039	—	127,535,663
Total paid claims	1,121,962,969	2,759,166	11,259,683	6,518,841	1,142,500,659
IBNR Balance December	$ 133,708,170	$ 29,016,404	$ 5,116,609	$ 53,030,300	$ 220,871,483

	2024				
	Medical/ Dental	LTD	Term Life	Retiree Life	Total
Claim Liability Balance	$ 124,306,763	$ 21,089,203	$ 6,069,858	$ 52,376,231	$ 203,842,055
Incurred claims related to:					
Current Year	1,062,823,829	5,608,264	9,591,882	5,857,649	1,083,881,624
Prior Year	2,739,888	—	3,018,148	—	5,758,036
Total incurred claims	1,065,563,717	5,608,264	12,610,030	5,857,649	1,089,639,660
Paid claims related to:					
Current Year	944,767,121	2,860,180	10,757,873	5,869,916	964,255,090
Prior Year	121,947,529	—	2,943,693	—	124,891,222
Total paid claims	1,066,714,650	2,860,180	13,701,566	5,869,916	1,089,146,312
IBNR Balance Dec 31st	$ 123,155,830	$ 23,837,287	$ 4,978,322	$ 52,363,964	$ 204,335,403

Components of IBNR as reported above:	2025	2024
Claims Payable	$ 99,846,156	$ 60,372,848
Estimated liability for claims incurred but not reported	50,342,086	78,060,916
Life insurance reserves	54,987,577	53,938,568
Long-term disability claims reserves	15,636,642	11,877,220
Long-term disability medical premium reserves	59,022	85,851
	$ 220,871,483	$ 204,335,403



Note 4

Policyholder Experience Dividends

	Dividends Recognized Current Year	Dividends Payable at End of Year
Medical	$ 2,147,979	$ 1,084,238
Dental	—	—
Long-term disability	—	—
Term Life	—	—
Total experience dividends	$ 2,147,979	$ 1,084,238

During the years ended December 31, 2025 and 2024 the Board authorized experience dividends to participating agencies and members of $2,147,979 and $8,001,792 respectively from claims contingency reserves accumulated by PEHP through the end of the prior fiscal period. Of these $1,084,238 and $3,403,768 were payable as of December 31, 2025 and 2024, 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, 2025, and 2024, 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, 2025.

Note 5

Related Party Transactions

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.

PEHP makes payments to the Systems for administrative expenses. Payments totaled $48,494,254 and $47,271,141 during the years ended December 31, 2025, and 2024, respectively. At December 31, 2025, and 2024, the cash due to the Systems for PEHP is $2,454,575 and $11,223,361, respectively, as due to other agencies and other liabilities on the Statement of Net Positions.

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.

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 was fully implemented by December 31, 2025 and will be amortized over 10 years. Right-to-use assets are amortized over the contract term from 2 to16 years.

Capital Assets

				December 31, 2025
				Equipment
	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	$ 17,355	—	(5,900)	11,455
Computer equipment	17,360	—	—	17,360
Software construction in progress	13,156,945	2,989,742	—	16,146,687
Right to use assets	24,948,584	—	—	24,948,584
Vehicles	297,719	—	(30,510)	267,209
Total	$ 38,437,963	2,989,742	(36,410)	41,391,295
				Accumulated Depreciation/Amortization
	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	$ 17,355	—	(5,900)	11,455
Computer equipment	17,360	—	—	17,360
Software construction in progress	—	—	—	—
Right-to-use assets	3,574,125	1,761,363	—	5,335,488
Vehicles	297,719		(30,510)	267,209
Total	$ 3,906,559	1,761,363	(36,410)	5,631,512
Net capital assets				$ 35,759,783

				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
Computer software	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/Amortization
	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	$ 46,927	—	(29,572)	17,355
Computer equipment	17,360	—	—	17,360
Computer software	—	—	—	—
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

Note 8
Net Investment Income

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

	2025	2024
Interest dividends, and other income	$26,473,381	24,633,844
Net appreciation (depreciation) in fair value of investments	22,211,687	3,792,653
Total income from investment activity	48,685,068	28,426,497
Less: investment expenses	$468,936	$449,603
Net investment income	$48,216,132	27,976,894

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 amortization, 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 $1,278,718 in principal and $945,074 in interest for fiscal year 2025. 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:

Subscription Assets

Subscription asset for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additi ons	Reductions	Ending Balance
Subscription assets	$24,948,584	—	—	24,948,584
Less accumulated amortization	(3,574,125)	—	(1,761,363)	(5,335,488)
Subscription assets, net	$21,374,459	—	(1,761,363)	19,613,096

Amortization expense for subscription assets was $1,761,363.

Subscription Liabilities

Subscription liability activity for the year ended December 31, 2025, was as follows:

	Subscription liabilities
Beginning Balance	$21,152,267
Additions	—
Reductions	1,278,718
Ending Balance	19,873,549
Due in one year	$1,088,186

Reductions during the year represent the principal portion of the payment made to the vendor and interest expense is $945,074 and is not report in the reduction of the subscription liability.

Right-to-Use Assets

Year	Total Interest Required	Total Principal Required	Total Amount Required
2026	885,606	1,088,186	1,973,792
2027	837,355	1,026,437	1,863,792
2028	789,441	1,074,351	1,863,792
2029	739,487	1,093,573	1,833,061
2030	689,925	1,103,682	1,793,607
2031-2035	2,567,235	7,096,248	9,663,483
2036-2039	675,877	7,391,072	8,066,949
Total	7,184,926	19,873,549	27,058,476

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, 2025

10-Year Loss Development **(Unaudited)**

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.

(In thousands)

	2016	2017
1) Required premiums, investment revenue, and interest income:		
Premiums earned	570,033	637,214
2) Unallocated expenses	29,180	31,077
3) Estimated incurred losses		
Incurred	539,617	598,659
Ceded	—	—
Net Incurred	539,617	598,659
4) Paid (cumulative) as of:		
End of policy year	489,747	547,899
One year later	539,600	598,435
Two years later	539,214	597,726
Three years later	538,631	597,539
Four years later	—	—
Five years later	—	—
Six years later	—	—
Seven years later	—	—
Eight years later	—	—
Nine years later	—	—
5) Reestimated ceded losses and expense	539,617	598,659
6) Reestimated incurred losses and expenses		
End of policy year	539,617	598,659
One year later	539,523	598,415
Two years later	539,159	597,726
Three years later	538,631	597,566
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	(986)	(1,093)

See Independent Auditor's Report.

2018	2019	2020	2021	2022	2023	2024	2025
695,851	754,095	797,527	821,244	852,984	958,441	1,008,234	1,088,846
33,260	34,355	36,300	36,673	37,759	41,129	42,211	46,497
650,304	712,884	737,376	831,099	843,276	907,210	998,168	1,053,499
—	—	—	—	—	—	—	—
650,304	712,884	737,376	831,099	843,276	907,210	998,168	1,053,499
—	—	—	—	—			
598,239	652,539	639,492	733,566	748,229	775,622	858,041	921,162
652,378	711,613	739,114	828,072	846,825	900,347	978,152	—
652,332	711,189	741,975	828,346	847,861	905,906	—	—
652,210	710,740	741,647	827,861	848,125	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
650,304	712,884	737,376	831,099	843,276	907,210	998,168	1,053,499
							—
650,304	712,884	737,376	831,099	843,276	907,210	998,168	1,053,499
652,672	711,686	742,400	828,614	848,748	915,190	980,116	—
652,339	711,053	741,838	828,407	847,802	905,875	—	—
652,193	710,721	741,703	827,266	840,528	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
1,889	(2,163)	4,327	(3,833)	(2,748)	(1,335)	(18,052)	—

Public Employees Health Program

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

June 24, 2026

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

Dear Members of Utah Retirement Systems:

In 2025, escalating geopolitical tensions, including continued warfare in Ukraine and an unprecedented U.S./Israeli bombing campaign in Iran, could not restrain global financial markets from advancing smartly for a third consecutive year.

Double-digit returns from stocks were commonplace, and for the first time in many years, most international markets outperformed corresponding U.S. indices. Bond markets produced positive returns too as all major central banks cut rates in 2025, triggering the largest simultaneous monetary policy ease in over a decade. Commodity prices, on the other hand, exhibited wild volatility, resulting in dramatic return dispersion. For example, and although a distant memory now, crude oil prices plunged over 20% in 2025 while the price of silver rocketed 148% higher. Crypto prices retreated from the record levels reached during 2024's speculative fever, and last April's "Liberation Day" tariff announcements weakened the dollar. However, by December 31 the U.S. recorded yet another year of net capital inflows.

Given its broad diversification profile, the URS Defined Benefit trust fund (officially, the Utah State Retirement Investment Fund, but referred to herein as the "DB Fund") performed as expected in 2025, generating a total return nearly doubled its actuarial assumption.

Year in Review

In the U.S., the Trump Administration started its second term with a shockingly ambitious set of domestic policy and regulatory initiatives. On day one, federal agencies were ordered to suspend, revise or rescind existing rules deemed burdensome, with a particular focus on energy, labor and environmental sectors. The prior administration's support for DEI and ESG initiatives at the federal level was arrested and reversed, while immigration and border enforcement efforts were aggressively expanded both in scope and rigor. Finally, the new Department of Government Efficiency ("DOGE") targeted massive cuts in staff, contracts and grants across a wide swath of government operations.

In fiscal policy, the administration's "One Big Beautiful Bill Act" extended the 2017 tax cuts and included certain new provisions (e.g., no taxes on tips and reinforced child tax credits) designed to boost blue-collar and small business wealth generation. Liberation Day launched sweeping tariffs on most trading partners with the blunt objectives of reducing trade deficits and safeguarding domestic manufacturing.

In foreign policy, the administration pursued an assertive America First agenda, including a confrontational stance with NATO partners and stronger ties with Japan and Middle East allies, efforts with the latter producing massive defense and investment commitments. Finally, last June, military operations Rising Lion and Midnight Hammer represented a dramatic escalation of hostilities against Iran and resulted in severe, widespread damage to that country's nuclear energy and weapons development capabilities.

Monetary policy eased in 2025 as most central bankers finally achieved sufficiently lower levels of inflation to feel comfortable cutting rates.

In the U.S., the Federal Reserve held rates steady for the first half of the year and then implemented consecutive 25-basis-point cuts in each of its final three meetings. Although with different timing and magnitude, similar rate cuts were announced in Europe, the UK and Australia. Japanese authorities proved the conspicuous outlier, raising rates in that country for the first time since 2008.

Against this dynamic policy and geopolitical backdrop, global equity markets roared higher. For example, the S&P 500, a broad index of large U.S. company shares, advanced 17.9% while the tech-heavy NASDAQ composite jumped 21.1% last year. International share prices fared even better, with developed and emerging country stock indices up 31.2% and 33.6%, respectively. Bond markets generated solid returns too: the Bloomberg Aggregate Bond Index (the "Bloomberg Ag"), a bellwether bond benchmark comprised of investment-grade corporate and U.S. Treasury securities, delivered a 7.3% return while its global analog recorded an 8.2% return.

Investment performance among real asset categories was wildly divergent. Using West Texas Intermediate as the proxy, oil prices fell 20.9% while gold vaulted another 64.6%, more than twice its total gain in 2024. Real estate performance varied by region and category, but an aggregate composite of U.S. properties advanced 4.9% last year. Buffeted by tariff turbulence and the Fed's rate cuts, the U.S. dollar fell by as much as 9.4% last year, the biggest decline since 2017.

Investment Results

Net of expenses, the DB Fund advanced 13.0% last year, almost two times its 6.85% actuarial assumption. Its funded status, as determined on a fair market value basis, rose to 97.9% on December 31, 2025, up from 95.0% a year earlier. The DB Fund's 2025 investment performance ranked in the 69th 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 37.3% of fund assets last year, advanced 21.9% in 2025, exactly matching the gain registered by that portfolio's FTSE Global All Cap benchmark. Bonds and other fixed income securities comprised 16.5% of DB Fund assets in 2025 and recorded gains of 6.9%, beating the corresponding benchmark's 6.3% advance. The DB Fund's private equity portfolio was marked at 11.6% of total fund assets on December 31, 2025, and contributed a 13.0% return to total fund results lagging its Russell 3000 + 2.5% benchmark, which ended 2025 up 19.6%.

Real assets, which include real estate, timber, and agriculture as well as investments in energy, mining, and infrastructure, comprised 17.4% of DB Fund value last year and ended 2025 with an aggregate return of 5.3% including a 9.2% contribution from the fund's dedicated energy investments. Other diversifying investments include the DB Fund's Absolute Return Portfolio (ARP), which comprised approximately 14.7% of total fund value last year and generated a 10.1% return, surpassing its benchmark's 9.2% result. As now described annually, the ARP is among the DB Fund's more defensive elements, so its modest outperformance in a strong bull market for stocks is an unexpected but much welcomed outcome.

Looking Ahead

At the time of this writing (mid-April 2026), all eyes are focused on the Strait of Hormuz and its blockade by the U.S. Navy. Market participants have initially cheered the blockade with the belief that it will provide sufficient leverage to force another round of hopefully more constructive negotiations in Islamabad. Indeed, truces in both Iran and Lebanon have held in recent days, albeit not perfectly.

While Middle East turmoil, with its effect on both oil prices and global trade, is without doubt the most important dynamic shaping the outlook for the remainder of the year, an IMF forecast released earlier this month still projects 3.1% global economic growth. Of course, regional differences will likely widen, with countries more exposed to energy price shocks lagging (e.g., Singapore) while those more connected to AI infrastructure buildouts proving more resilient (e.g., the U.S.). Buoyed by robust capital spending from big tech "hyperscalers," earnings estimates for the S&P 500 index remain a remarkable 15% above 2025 and profit margins are currently projected to hit almost 14%, the highest level in more than 15 years.

This admittedly sanguine outlook looks and feels all too fragile as resurgent hostilities in the Gulf and an inevitable spike in oil prices would immediately pressure financial markets and reverse much if not all the progress achieved in the last three weeks. Despite the recent recovery in equity markets, two consecutive months of sharply elevated energy prices have pushed headline inflation back above central bankers' collective comfort zone, all but assuring at least a temporary pause in the rate cut forecasts that prevailed earlier this year.

Conclusion

Between January 1, 2023, and December 31, 2025, the S&P 500 index advanced almost 80%. Moreover, after a sharp 10% correction in share prices in March 2026, delicate prospects for peace in the Middle East have encouraged investors to push most equity indices back to or near record highs.

Investments *(Continued)*

Because the URS DB Fund is broadly diversified by asset class, geography and specific investment strategy, its performance appears muted by direct comparison.

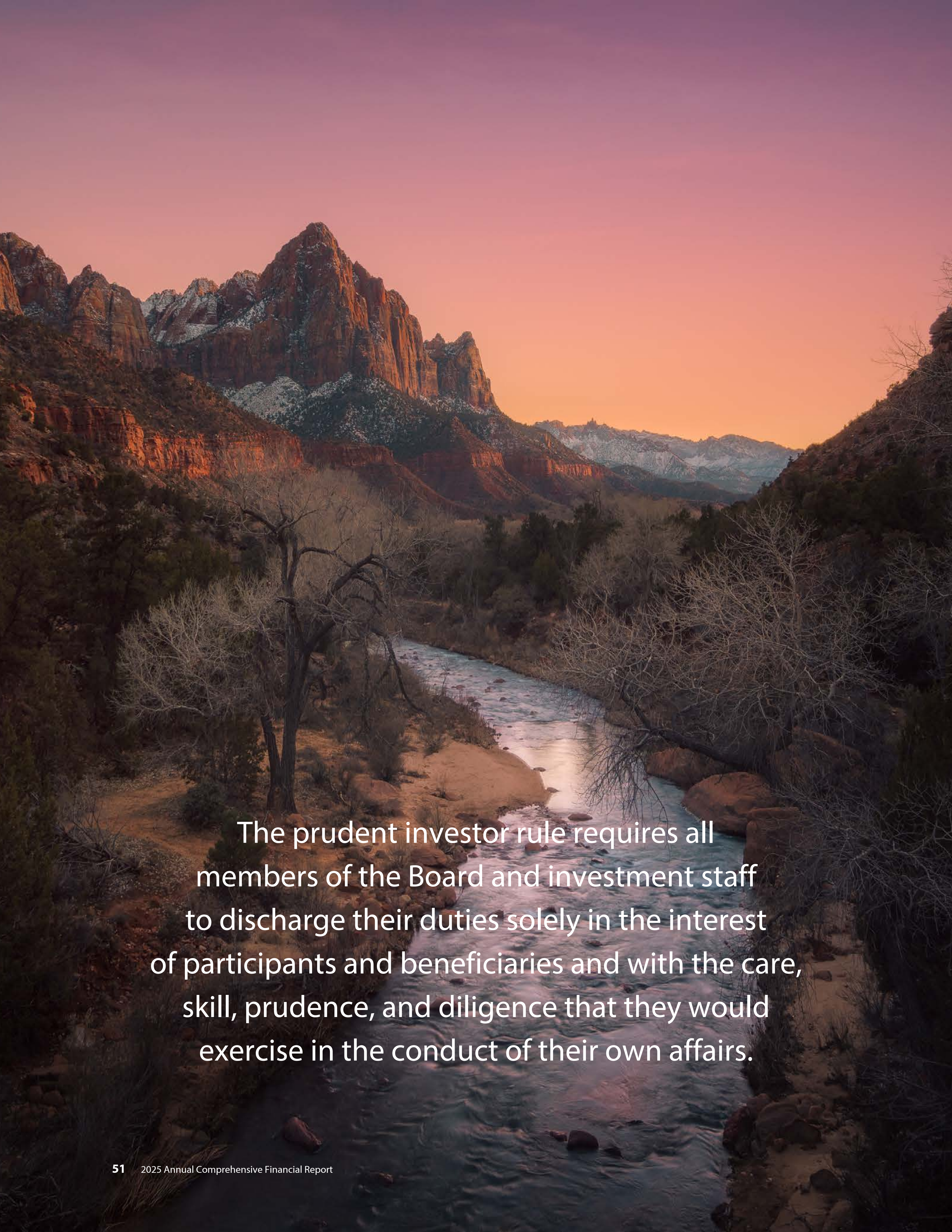
Nonetheless, this extraordinary run of consecutive strong bull market results has fortified URS DB Fund solvency.

DB Fund results in 2025 are also perfectly consistent with our intentionally “risk-aware” approach, which, as mentioned in previous annual letters, is designed to keep fund performance consistent with peers and benchmarks during bull markets but hold up better (i.e., lose less money) during bear markets. Specifically, average results during bull markets combined with better-than-average results during bear markets will compound DB Fund capital at a higher overall rate. This methodology prioritizes long-term fund solvency over short-term performance and was once again ratified by the Utah State Retirement Board last September.

The URS DB Fund is the investment portfolio equivalent of a triple-hull supertanker. That is, we are nowhere near agile or nimble enough to successfully bob and weave among financial markets’ short-term ups and downs. We are, however, strong enough to plow through any storm those same markets serve up over an extended period. Thank you for entrusting URS with your retirement, my staff and I are honored to work every day safeguarding its security..

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.

Outline of Investment Policies

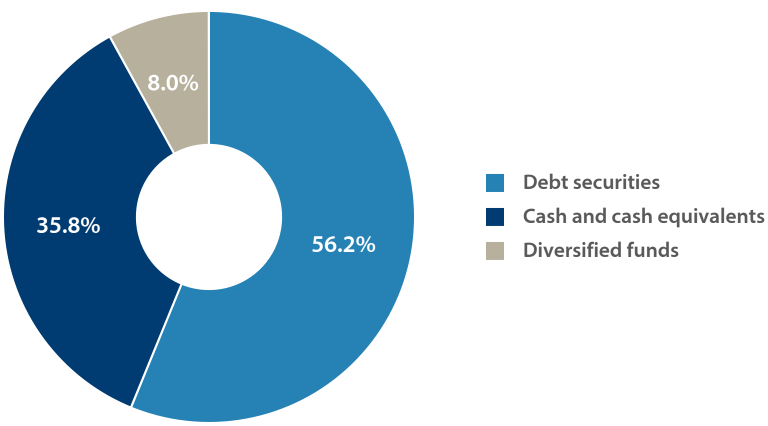
The governing body of the PEHP is the seven member Utah State Retirement Board (Board). The Board is composed of the Utah State Treasurer, who serves as an ex-officio member, and six trustees who are appointed by the Governor. Four board members are appointed for their investment expertise, and two members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

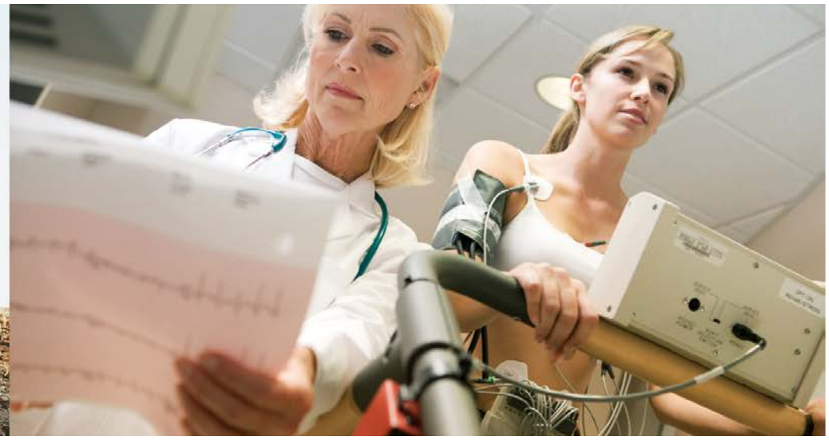
Investment return calculations are prepared using a time-weighted rate of return.

The allocation of assets as reported to the board are as follows: Cash and cash equivalents 35.8%, Debt securities 56.2%, Diversified funds of 8.0%.



Investments at Fair Value

December 31,	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cash and cash equivalents	24.8	34.3	28.0	27.1	20.0	22.5	31.7	33.1	35.8
Debt securities	75.2	65.7	72.0	72.9	71.0	69.2	60.6	59.0	56.2
Diversified funds	—	—	—	—	9.(	8.3	7.7	7.9	8.0
	100.0%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0



Public Employees Health Program

Comparative Investment Results

Year Ending December 31, 2025

Investment Option

Comparative Index	1-year	3-year	5-year
Cash and cash equivalents	**4.37%**	**4.98 %**	**3.01%**
*Custom cash benchmark **	4.55	5.12	3.30
Fixed Income	**8.12**	**6.03**	**1.45**
Bloomberg US Intermediate Aggregate Index	7.45	5.01	0.68
Diversified funds **	**14.24**	**0.12**	**N/A**
Custom diversified benchmark	13.34	11.29	NA
Total Fund ***	**7.92**	**6.37**	**1.91**
Fund custom benchmark	7.60	5.37	0.53

** 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*


List of Largest Assets Held

December 31,2025

Largest Debt Security Holdings

Description	Par Value	Fair Value
UNITED STATES TREAS NTS 4.0% 07-31-2030	$ 9,355,000	9,481,804
UNITED STATES OF AMER TREAS NOTES 3.75% 06-30-2030	8,696,000	8,723,854
SLM STUDENT LN TR 2005-9 STUDENT LN-BKD NT CL A-7A 01-25-2041 REG	8,696,762	8,629,827
UNITED STATES TREAS NTS 4.25% 08-15-2035	8,451,000	8,530,228
UNITED STATES OF AMER TREAS NOTES 4.25% 05-15-2035	7,775,000	7,856,395
FEDERAL HOME LN MTG CORP POOL #RA7194 3.5% 04-01-2052 BEO	8,410,810	7,835,407
UNITED STATES OF AMER TREAS NOTES 4.375% 05-15-2034	7,500,000	7,678,711
FNMA POOL #FM7599 3.5% 01-01-2051 BEO	7,792,764	7,279,072
FNMA POOL #CB3594 3.5% 05-01-2052 BEO	7,547,836	7,044,923
FEDERAL HOME LOAN MORTGAGE CORP 5.5% 07-01-2053	6,614,696	6,733,809

Schedule of Investment Fees

Investment advisor fees:*	
Cash and cash equivalents	$ 18,456
Debt securities	405,646
Diversified funds	44,834
Total investment advisor fees	$ 468,936

**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

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	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
	2025	285,713,090	1,039,738,057	26,538,017	—	22,569,453	1,088,845,527	998,553,017
Dental Program	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
	2025	6,669,990	34,613,513	—	—	757,183	35,370,696	29,947,317
Long Term Disability Program	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
	2025	50,286,574	14,809,117	—	—	6,645,536	21,454,653	2,759,166

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
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
8,257,303	2,147,979	1,008,958,299	41,168,767	5,328,674	1,055,455,740	33,389,787	319,102,877
(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
2,295,037	—	32,242,354	1,850,186	497,596	34,590,136	780,560	7,450,550
(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
5,179,117	—	7,938,283	1,871,725	206,475	10,016,483	11,438,170	61,724,744

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	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
	2025	30,727,293	13,864,319	—	—	2,944,176	16,808,495	11,259,683
Retiree Life Program	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
	2025	(2,448,311)	6,055,634	—	—	7,444,311	13,499,945	6,518,841
Reinsurance Program	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
	2025	80,623,547	94,910,475	—	—	11,818,453	106,728,928	86,114,772

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
(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
138,287	—	11,397,970	2,008,406	356,450	13,762,826	3,045,669	33,772,962
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)
666,336	—	7,185,177	238,755	—	7,423,932	6,076,013	3,627,702
—	—	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
—	—	86,114,772	2,706,463	19,770	88,841,005	17,887,923	98,511,470

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	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
	2025	50,202,961	—	—	9,411,867	(3,962,980)	5,448,887	7,347,862
OPEB and Pension Plan	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)	—	—	—	—	—	—
	2025	—	—	—	—	—	—	—
All PEHP Plans	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
	2025	501,775,144	1,203,991,115	26,538,017	9,411,867	48,216,132	1,288,157,131	1,142,500,666

2025

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
—	—	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
—	—	7,347,862	161,606	—	7,509,468	(2,060,581)	48,142,380
—	—	—	—	(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	—
—	—	—	—	—	—	—	—
1,390,968	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
16,536,080	2,147,979	1,161,184,725	50,005,910	6,408,965	1,217,599,600	70,557,531	572,332,675

Public Employees Health Program

Statement of Net Position by Program

As of December 31, 2025

		Medical	Dental	Long-Term Disability
Assets:				
Current Assets:	$	168,359,039	(2,299,707)	21,827,675
Cash and cash equivalents				
Receivables:				
Premiums and service fees, net				
Securities and interest receivable		35,496,356	8,945,931	918,063
Invested securities lending collateral		1,805,728	59,606	473,815
Other receivables		884,333	29,668	260,390
Total current assets		17,412,689	29,014	34,916
Total current assets		223,958,145	6,764,512	23,514,859
Noncurrent Assets:				
Investments		240,039,571	7,983,781	67,517,436
Capital assets (net of accumulated depreciation)		—	—	—
Total noncurrent assets		240,039,571	7,983,781	67,517,436
Total assets		463,997,716	14,748,293	91,032,295
Liabilities:				
Current liabilities:				
Claims payable		91,414,188	5,272,636	—
Estimated liability for claims incurred by not reported		35,348,014	1,673,332	13,320,740
Long-term disability claims reserves		—	—	—
Long-term disability medical premium reserves		—	—	—
Premiums payable		1,744,805	(107,658)	4,856
Unearned premiums		3,679,340	(636)	—
Investment accounts payable		—	—	—
Accrued expense payable		1,076,454	429,035	25,443
Taxes payable		4,059	1,370	(2,037)
Experience dividend payable		1,084,238	—	—
Security lending liability		884,333	29,668	260,390
Total current liabilities		135,235,431	7,297,747	13,609,392
Noncurrent Liabilities:				
Life insurance reserves		—	—	—
Long term disability claim reserves		—	—	15,636,642
Long term disability medical premium reserves		—	—	59,022
Due to other agencies and other liabilities		9,659,415	—	2,494
Total noncurrent liabilities		9,659,415	—	15,698,158
Total liabilities		144,894,846	7,297,747	29,307,550
NET POSITION				
End of year, restricted for claim contingency reserve		319,102,870	7,450,546	61,724,745
End of year, restricted for benefits		—	—	—
Total net position		319,102,870	7,450,546	61,724,745

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan (HRA)	Totals
$ 7,730,060	$ (3,418,231)	$ 43,650,229	$ 34,882,647	$ 270,731,712
403,061		62,424	425	45,826,260
237,132	—	409,264	298,155	3,283,700
115,361	—	216,264	—	1,506,016
4,895	—	107,580	(158)	17,588,936
8,490,509	(3,418,231)	44,445,761	35,181,069	338,936,624
30,788,284	60,085,255	60,709,180	18,239,114	485,362,621
—	—	35,759,783	—	35,759,783
30,788,284	60,085,255	96,468,963	18,239,114	521,122,404
39,278,793	56,667,024	140,914,724	53,420,183	860,059,028
3,159,332	—	—	—	99,846,156
—	—	—	—	50,342,086
—	—	—	—	—
—	—	—	—	—
10,156	—	(874,644)	—	777,515
5,617	—	15,700	114	3,700,135
—	—	—	—	—
258,087	9,023	5,680,182	10,648	7,488,872
—	—	(425)	—	2,967
—	—	—	—	1,084,238
115,361	—	216,264	—	1,506,016
3,548,553	9,023	5,037,077	10,762	164,747,985
1,957,277	53,030,300	—	—	54,987,577
—	—	—	—	15,636,642
—	—	—	—	59,022
—	—	37,366,177	5,267,041	52,295,127
1,957,277	53,030,300	37,366,177	5,267,041	122,978,368
5,505,830	53,039,323	42,403,254	5,277,803	287,726,353
33,772,963	3,627,701	98,511,470	—	524,190,295
—	—	—	48,142,380	48,142,380
33,772,963	3,627,701	98,511,470	48,142,380	572,332,675

Supplementary Information *(Continued)*

Public Employees Health Program

Statement of Changes in Net Position by Program

For Year Ended December 31, 2025

	Medical	Dental	Long-Term Disability
Revenues:			
Premiums earned, service fees, and other revenue net of funds	$ 1,039,736,254	34,613,513	14,809,117
Federal subsidy	26,538,017	—	—
Employer contributions	—	—	—
Net Investment income	22,569,453	757,183	6,645,536
Miscellaneous income	1,803	—	—
Total revenues	1,088,845,527	35,370,696	21,454,653
Expenses:			
Insurance benefits:			
Health/pharmacy claims paid	990,530,368	—	—
Dental claims paid	—	29,947,321	—
Disability claims paid	—	—	2,759,165
Life claims paid	—	—	—
Reinsurance premiums	86,992,170	—	—
Provision for unpaid claims and claims incurred but not	8,257,303	2,295,037	5,179,117
Reinsurance claims paid	(78,969,516)	—	—
Experience dividends	2,147,979	—	—
Total insurance benefits	1,008,958,304	32,242,358	7,938,282
Administrative and other expenses:			
Administrative expenses	40,846,991	1,850,186	1,871,725
Commissions	5,328,674	497,596	206,475
PPACA fees	321,778	—	—
Other expenses	—	—	—
Total expenses	1,055,455,747	34,590,140	10,016,482
Revenues over (under) benefits and expenses	33,389,780	780,556	11,438,171
Net Position:			
Beginning of year, restricted for claim contingency and benefits	285,713,090	6,669,990	50,286,574
End of year, restricted for claims contingency and benefits	$ 319,102,870	7,450,546	61,724,745

See Independent Auditor's Report.

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan	Totals
13,864,319	6,055,634	94,910,475	—	1,203,989,312
—	—	—	—	26,538,017
—	—	—	9,411,867	9,411,867
2,944,176	7,444,311	11,818,453	(3,962,980)	48,216,132
—	—	—	—	1,803
16,808,495	13,499,945	106,728,928	5,448,887	1,288,157,131
—	—	—	7,347,862	997,878,230
—	—	—	—	29,947,321
—	—	—	—	2,759,165
10,578,328	6,518,842	—	—	17,097,170
681,354	—	—	—	87,673,524
138,287	666,336	—	—	16,536,080
—	—	86,114,772	—	7,145,256
—	—	—	—	2,147,979
11,397,969	7,185,178	86,114,772	7,347,862	1,161,184,725
2,008,406	238,755	27	161,606	46,977,696
356,450	—	19,770	—	6,408,965
—	—	—	—	321,778
—	—	2,706,436	—	2,706,436
13,762,825	7,423,933	88,841,005	7,509,468	1,217,599,600
3,045,670	6,076,012	17,887,923	(2,060,581)	70,557,531
30,727,293	(2,448,311)	80,623,547	50,202,961	501,775,144
33,772,963	3,627,701	98,511,470	48,142,380	572,332,675

Supplementary Information *(Continued)*

Public Employees Health Program

Medical Program Risk Pools Statement of Net Position

December 31, 2025

		State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Assets:				
Current Assets:				
Cash and cash equivalents		23,512,480	6,209,723	118,152,764
Receivables:				
Premiums and service fees, net		31,320,642	19,967	(5,303,123)
Securities and interest receivable		1,059,482	115,906	456,752
Invested securities lending collateral		514,576	58,132	217,028
Other receivables		5,923,237	216,405	408,271
Total current assets		62,330,417	6,620,133	113,931,692
Noncurrent Assets:				
Investments		140,333,441	15,066,810	61,699,830
Capital assets (net of accumulated depreciation)		—	—	—
Total noncurrent assets		140,333,441	15,066,810	61,699,830
Total assets		202,663,858	21,686,943	175,631,522
Liabilities:				
Current liabilities:				
Claims payable		50,225,059	5,292,124	26,798,173
Estimated liability for claims incurred by not reported		20,303,025	3,297,869	7,479,572
Premiums payable		657,149	—	524,911
Unearned premiums		(890)	—	(503)
Investment accounts payable		—	—	—
Accrued expense payable		610,820	(74,779)	(834,360)
Taxes payable		12,187	1,491	(26,122)
Experience dividend payable		—	—	1,084,238
Security lending liability		514,576	58,132	217,028
Total current liabilities		72,321,926	8,574,837	35,242,937
Noncurrent Liabilities:				
Life insurance reserves		—	—	—
Long term disability claim reserves		—	—	—
Long term disability medical premium reserves		—	—	—
Due to other agencies and other liabilities		1,604,678	311,326	770,179
Total noncurrent liabilities		1,604,678	311,326	770,179
Total liabilities		73,926,604	8,886,163	36,013,116
Net Position:				
Beginning of year, restricted for claim contingency	$	108,477,154	10,938,883	122,802,467
End of year, restricted for claim contingency reserve	$	128,737,254	12,800,780	139,618,406

See Independent Auditor's Report.

Utah School Boards Association (USBA)	Self Funded Health Care Groups	Medicare Supplement	Totals
(450,074)	4,819,157	16,114,989	168,359,039
5,150,265	4,569,037	(260,432)	35,496,356
83,876	5,582	84,130	1,805,728
65,662	—	28,935	884,333
2,084,287	439,146	8,341,343	17,412,689
6,934,016	9,832,922	24,308,965	223,958,145
17,378,290	—	5,561,200	240,039,571
—	—	—	—
17,378,290	—	5,561,200	240,039,571
24,312,306	9,832,922	29,870,165	463,997,716
4,231,836	—	4,866,996	91,414,188
2,086,501	—	2,181,047	35,348,014
(967)	3,494	560,218	1,744,805
95,000	704,217	2,881,516	3,679,340
—	—	—	—
14,524	1,893,505	(533,256)	1,076,454
7,377	2,952	6,174	4,059
—	—	—	1,084,238
65,662	—	28,935	884,333
6,499,933	2,604,168	9,991,630	135,235,431
—	—	—	—
—	—	—	—
—	—	—	—
149	6,973,083	—	9,659,415
149	6,973,083	—	9,659,415
6,500,082	9,577,251	9,991,630	144,894,846
16,174,143	94,887	27,225,552	285,713,086
17,812,224	255,671	19,878,535	319,102,870

Supplementary Information *(Continued)*

Public Employees Health Program

Medical Program Risk Pools Statement of Changes in Net Position

For the Year Ended December 31, 2025

		State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Revenues:				
Premiums and service fees	$	487,793,796	49,881,849	280,660,477
Federal subsidy		—	—	—
Employer contributions		13,129,641	1,483,619	5,538,587
Net Investment income		872	99	473
Total revenues		500,924,309	51,365,567	286,199,537
Expenses:				
Insurance benefits:				
Health/pharmacy claims paid		449,738,109	47,325,163	245,193,084
Reinsurance premiums		31,813,793	4,992,676	44,363,401
Provisions for unpaid claims and claims incurred but not		8,490,396	2,489,831	(1,974,111)
Reinsurance claims paid		(25,628,837)	(7,603,768)	(38,768,531)
Experience dividends		—	30,294	2,117,685
Total insurance benefits		464,413,461	47,234,196	250,931,528
Administrative and other expenses:				
Administrative expenses		16,066,774	2,246,337	13,062,017
PPACA fees		183,975	23,136	99,109
Commissions		—	—	5,290,945
Total expenses		480,664,210	49,503,669	269,383,599
Revenues over (under) expenses		20,260,099	1,861,898	16,815,938
Net Position:				
Beginning of year, restricted for claim contingency		108,477,155	10,938,882	122,802,468
End of year, restricted for claim contingency reserve	$	128,737,254	12,800,780	139,618,406

See Independent Auditor's Report.

Utah School Boards Association (USBA)	Self Funded Health Care Groups	Medicare Supplement	Totals
52,249,047	126,017,378	43,133,707	1,039,736,254
—	—	26,538,017	26,538,017
1,675,797	—	741,809	22,569,453
105	97	157	1,803
53,924,949	126,017,475	70,413,690	1,088,845,527
53,746,228	120,843,439	73,684,345	990,530,368
5,822,300	—	—	86,992,170
(2,031,182)	—	1,282,369	8,257,303
(7,210,115)	241,735	—	(78,969,516)
—	—	—	2,147,979
50,327,231	121,085,174	74,966,714	1,008,958,304
1,941,383	4,736,487	2,793,993	40,846,991
18,254	(2,696)	—	321,778
—	37,729	—	5,328,674
52,286,868	125,856,694	77,760,707	1,055,455,747
1,638,081	160,781	(7,347,017)	33,389,780
16,174,143	94,890	27,225,552	285,713,090
17,812,224	255,671	19,878,535	319,102,870

Public Employees Health Program

Dental Program Risk Pools Statement of Net Position

For the Year Ended December 31, 2025

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
ASSETS					
Current Assets:					
Cash and cash equivalents	(2,257,826)	(340,979)	995,362	(696,264)	(2,299,707)
Receivables:	—	—	—	—	—
Premiums and service fees, net	3,222,112	894,121	2,977,284	1,852,414	8,945,931
Securities and interest receivable	34,813	6,259	18,317	217	59,606
Invested securities lending collateral	17,620	2,711	9,337	—	29,668
Other receivables	19,426	5,480	4,108	—	29,014
Total current assets	1,036,145	567,592	4,004,408	1,156,367	6,764,512
Noncurrent Assets:					
Investments	4,809,505	731,159	2,439,638	3,479	7,983,781
Total noncurrent assets	4,809,505	731,159	2,439,638	3,479	7,983,781
Total assets	5,845,650	1,298,751	6,444,046	1,159,846	14,748,293
Liabilities:					
Current liabilities:					
Claims payable	3,109,036	484,533	1,291,340	387,727	5,272,636
Estimated liability for claims incurred by not reported	663,428	134,168	710,800	164,936	1,673,332
Premiums payable	(108,104)	—	446	—	(107,658)
Unearned premiums	(708)	13	59	—	(636)
Accrued expense payable	327,820	7,959	18,717	74,539	429,035
Taxes payable	508	40	404	418	1,370
Security lending liability	17,620	2,711	9,337	—	29,668
Total current liabilities	4,009,600	629,424	2,031,103	627,620	7,297,747
Noncurrent Liabilities:					
Total noncurrent liabilities	—	—	—	—	—
Total liabilities	4,009,600	629,424	2,031,103	627,620	7,297,747
NET POSITION					
End of year, restricted for claim contingency reserve	$ 1,836,050	669,327	4,412,943	532,226	7,450,546

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, 2025

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
Revenues:					
Premiums and service fees	$ 19,785,060	3,009,052	9,266,739	2,552,662	34,613,513
Federal subsidy					—
Investment income	449,698	69,184	238,301	—	757,183
Miscellaneous income	—	—	—	—	—
Total revenues	20,234,758	3,078,236	9,505,040	2,552,662	35,370,696
Expenses:					
Insurance benefits:					
Health/pharmacy claims paid	17,959,142	2,569,163	7,283,733	2,135,283	29,947,321
Provision for unpaid claims and claims incurred but not reported	1,139,229	230,658	639,432	285,718	2,295,037
Experience dividends	—	—	—	—	—
Total insurance benefits	19,098,371	2,799,821	7,923,165	2,421,001	32,242,358
Administrative and other expenses:					
Administrative expenses	1,106,833	140,870	451,115	151,368	1,850,186
Commissions	—	—	497,596	—	497,596
Total expenses	20,205,204	2,940,691	8,871,876	2,572,369	34,590,140
Revenues over (under) expenses	29,554	137,545	633,164	(19,707)	780,556
Net Position:					
Beginning of year, restricted for claim contingency	1,806,496	531,782	3,779,779	551,933	6,669,990
End of year, restricted for claim contingency reserve	$ 1,836,050	669,327	4,412,943	532,226	7,450,546

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.

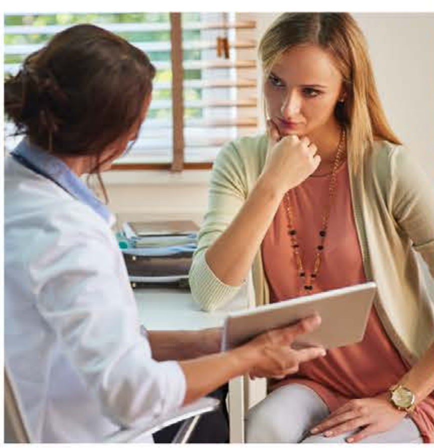
» Going the extra mile to keep members out of the middle.

» Providing excellent products at cost.

Public Employees Health Program

Unaudited Supplementary Information

As of June 30, 2025



Public Employees Health Program

Statements of Net Position (Unaudited)

As of June 30, 2025
With Comparative Totals for June 30, 2024

	June 30, 2025	June 30, 2024
Assets:		
Cash and cash equivalents	$ 209,215,566	208,918,064
Investments	465,472,807	428,971,617
Invested securities lending collateral	2,174,083	2,628,697
Receivables:		
Premiums and service fees	55,124,838	59,122,675
Investments	3,274,604	3,670,254
Other receivables	21,368,023	10,485,685
Total receivables	79,767,465	73,278,614
Capital assets net of accumulated depreciation	35,208,994	33,541,375
Net OPEB asset		412,436
Total assets	791,838,915	747,750,803
Deferred Outflow of Resources:		
OPEB related amounts	—	403,007
Pension related amounts	—	8,147,819
Total deferred outflows	—	8,550,826
Liabilities:		
Claims payable	49,381,757	29,471,252
Estimated liability for claims incurred but not reported	90,986,703	116,697,891
Life insurance reserves	53,938,568	54,143,563
Long-term disability claims reserves	13,990,949	9,844,420
Long-term disability medical premium reserves	48,644	92,875
Premiums payable	(141,691)	127,134
Unearned premiums	4,796,418	354,804
Investment accounts payable	1,912,057	—
PPCA and other accrued expenses payable	6,790,388	5,842,689
Taxes payable	1,175	30,680
Experience dividend payable	1,324,765	303,768
Due to other agencies and other liabilities	50,625,344	49,709,670
Security lending liability	2,174,083	2,628,697
Net pension liability	—	9,674,938
Net OPEB liability	—	—
Total liabilities	275,829,160	278,922,381
Deferred Inflows of Resources:		
OPEB related amounts	—	464,526
Pension related amounts	—	195,992
Total deferred inflows	—	660,518
Net Position:		
Restricted for claims contingency reserves	462,631,221	427,052,008
Restricted for benefits	53,378,534	49,666,722
Total net position	$ 516,009,755	476,718,730

Unaudited Supplementary Information *(Continued)*

Public Employees Health Program

Statements of Changes in Net Position (Unaudited)

Fiscal Year July 1, 2024 - June 30, 2025
With Comparative Totals for July 1, 2023 - June 30, 2024

	June 30, 2025	June 30, 2024
Revenues:		
Premiums earned and service fees, net of refunds	$ 1,169,610,081	1,105,188,161
Federal subsidy	21,241,961	16,421,942
Employer contributions	8,624,949	6,663,410
Net investment income	41,775,659	32,439,501
Miscellaneous income	131,381	54,666
Total revenues	1,241,384,031	1,160,767,680
Expenses:		
Insurance benefits:		
Claims	1,143,426,323	1,018,319,186
Change in unpaid claims and claimed incurred but not reported	(1,903,380)	28,594,090
Experience dividends	9,295,100	5,829,068
Total insurance benefits	1,150,818,043	1,052,742,344
Administrative and other expenses:		
Administrative expenses	43,338,300	42,908,896
Commissions	6,236,835	5,575,707
PPACA fees	336,906	290,029
Other	1,362,922	3,266,230
Total expenses	1,202,093,006	1,104,783,206
Revenues over (under) expenses	39,291,025	55,984,474
Net Position:		
Beginning of year, restricted for claim contingency and benefits	476,718,730	420,734,256
End of year, restricted for claims contingency and benefits	$ 516,009,755	476,718,730

Public Employees Health Program

Statements of Cash Flow (Unaudited)

For the Fiscal Year Ended June 30, 2025
With Comparative Totals for June 30, 2024

	June 30, 2025	June 30, 2024
Cash flows from operating activities:		
Cash received from premiums and service fees, and other revenue net of refunds	$ 1,208,048,248	1,111,523,809
Cash paid for insurance benefits	(1,143,686,006)	(1,004,525,354)
Cash paid for administrative and other expenses	(57,720,042)	(44,117,845)
Policyholder experience dividends paid	(8,274,103)	(5,694,606)
Net cash provided (used) by operating activities	(1,631,903)	57,186,004
Cash flows from investing activities:		
Investment income	13,754,298	17,171,842
Proceeds from maturities of sales of fixed income securities	35,613,309	74,927,544
Purchases of fixed income securities	(41,785,429)	(82,093,870)
Payments for acquisition of capital assets	—	—
Payments for acquisition of right to use assets	—	—
Net cash provided (used) by investing activities	7,582,178	10,005,516
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt for right to use assets	—	—
Payments of debt for right to use assets	(1,250,039)	(1,709,906)
Acquisition of capital assets	(3,428,981)	(3,137,564)
Interest Paid	(973,753)	
Net cash provided (used) by financing activities	(5,652,773)	(6,409,252)
Net increase in cash and cash equivalents	297,502	60,782,268
Cash and cash equivalents at beginning of year	208,918,064	148,135,796
Cash and cash equivalents at end of year	209,215,566	208,918,064
Reconciliation of revenue over benefits and expenses to net cash provided by operating activities:		
Revenue over benefits and expenses	39,291,025	55,984,474
Adjustments to reconcile revenue over (under) benefits and expenses to net cash provided (used) by operating activities:		
Depreciation	—	—
Interest expense SBITA	973,753	1,561,782
Amortization	1,761,362	2,693,444
Net investment income	(41,775,659)	(32,439,501)
OPEB related items	350,917	(36,446)
Pension related items	(1,723,111)	(952,550)
Change in assets and liabilities:		
Premiums and service fees	3,998,531	(12,669,056)
Employer contributions	(267)	677
Prepaid expenses and other current assets	(10,882,765)	14,883,228
Claims payable	10,560,197	2,521,321
Liability for claims incurred but not reported	(25,711,189)	26,760,082
Life insurance reserves	(204,995)	(1,347,000)
Long-term disability claim reserves	13,496,838	830,922
Long-term disability medical premium reserves	(44,231)	(171,229)
Experience dividend payable	1,020,997	134,462
Due to other agencies and other liabilities	2,174,856	2,434,722
Premium payables	(268,827)	(329,809)
Unearned premiums	4,441,612	(4,135,997)
Accrued expense payable	938,557	1,431,435
Taxes payable	(29,504)	31,043
Net cash provided by operating activities	$ (1,631,903)	57,186,004

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

Public Employees Health Program

Statements of Net Position by Program (Unaudited)

As of June 30, 2025

	Medical	Dental	Long-Term Disability
Assets:			
Cash and cash equivalents	$ 130,140,738	(3,218,463)	16,942,552
Investments	230,591,734	7,666,816	64,735,537
Invested securities lending collateral	1,276,622	42,829	375,899
Receivables:			
Premiums and service fees	47,092,074	5,212,027	1,054,420
Investments receivable	1,756,544	57,956	459,332
Employer contributions	—	—	—
Other receivables	21,087,166	59,243	103,728
Total receivables	69,935,784	5,329,226	1,617,480
Capital assets net of accumulated depreciation	—	—	—
Net OPEB asset	—	—	—
Total assets	431,944,878	9,820,408	83,671,468
Deferred Outflow of Resources:			
OPEB related amounts	—	—	—
Pension related amounts	—	—	—
Total deferred outflows	—	—	—
Liabilities:			
Claims payable	44,373,623	1,604,416	—
Estimated liability for claims incurred but not reported	76,233,527	2,356,960	12,396,216
Life insurance reserves	—	—	—
Long-term disability claims reserves	—	—	13,990,949
Long-term disability medical premium reserves	—	—	48,644
Premiums payable	411,787	(16,823)	4,228
Unearned premiums	3,782,954	206,043	347
Investment accounts payable	883,619	29,645	260,180
PPCA and other accrued expenses payable	4,302,092	58,274	17,191
Taxes payable	1,631	131	(2,037)
Experience dividend payable	1,324,765	—	—
Due to other agencies and other liabilities	9,840,376	—	(13,842)
Security lending liability	1,276,622	42,829	375,899
Net pension liability	—	—	—
Total liabilities	142,430,996	4,281,475	27,077,775
Deferred Inflows of Resources:			
OPEB related amounts	—	—	—
Pension related amounts	—	—	—
Total deferred inflows	—	—	—
Net Position:			
Restricted for claims contingency reserves	289,513,882	5,538,933	56,593,693
Restricted for benefits	—	—	—
Total net position	$ 289,513,882	5,538,933	56,593,693

	Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan (HRA)	OPEB and Pensions	Totals
	6,939,606	(3,221,011)	22,953,671	38,678,473	—	209,215,566
	29,555,818	56,138,692	58,398,708	18,385,502	—	465,472,807
	166,535	—	312,198	—	—	2,174,083
	704,268	—	1,061,624	—	—	55,124,413
	230,716	—	397,235	372,821	—	3,274,604
	—	—	—	425	—	425
	5,895	—	112,149	(158)	—	21,368,023
	940,879	—	1,571,008	373,088	—	79,767,465
	—	—	35,208,994	—	—	35,208,994
	—	—	—	—	—	—
	37,602,838	52,917,681	118,444,579	57,437,063	—	791,838,915
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	3,403,718	—	—	—	—	49,381,757
	—	—	—	—	—	90,986,703
	1,574,604	52,363,964	—	—	—	53,938,568
	—	—	—	—	—	13,990,949
	—	—	—	—	—	48,644
	10,091	—	(550,974)	—	—	(141,691)
	145,750	—	661,210	114	—	4,796,418
	115,268	—	216,089	407,256	—	1,912,057
	7,645	42,477	2,354,175	8,534	—	6,790,388
	—	—	1,450	—	—	1,175
	—	—	—	—	—	1,324,765
	—	—	37,156,185	3,642,625	—	50,625,344
	166,535	—	312,198	—	—	2,174,083
	—	—	—	—	—	—
	5,423,611	52,406,441	40,150,333	4,058,529	—	275,829,160
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	32,179,227	511,240	78,294,246		—	462,631,221
	—	—	—	53,378,534	—	53,378,534
	32,179,227	511,240	78,294,246	53,378,534	—	516,009,755

Public Employees Health Program

Statements of Changes in Net Position by Program (Unaudited)

Fiscal Year July 1, 2024 - June 30, 2025

	Medical	Dental	Long-Term Disability
Revenues:			
Premiums and service fees	$ 1,008,871,380	32,727,766	14,929,524
Federal subsidy	21,241,961	—	—
Employer contributions	—	—	—
Investment income	19,675,912	660,036	5,792,898
Miscellaneous income	131,380	—	—
Total revenues	1,049,920,633	33,387,802	20,722,422
Expenses:			
Insurance benefits:			
Health/pharmacy claims paid	990,115,372	—	—
Dental claims paid	—	34,474,246	—
Disability paid claims	—	—	2,573,488
Life claims paid	—	—	—
Reinsurance premiums	84,167,692	—	—
Provision for unpaid claims and claims incurred but not reported	(3,454,057)	(1,248,580)	3,903,060
Reinsurance claims paid	(72,723,247)	—	—
Experience dividends	4,075,382	(18,022)	5,237,771
Total insurance benefits	1,002,181,142	33,207,644	11,714,319
Adminstrative and other expenses:			
Administrative expenses	37,654,503	1,806,270	1,471,784
Commissions	5,240,737	446,395	157,470
PPACA fees	336,906	—	—
Other	—	—	—
Total expenses	1,045,413,288	35,460,309	13,343,573
Revenues over (under) expenses	4,507,345	(2,072,507)	7,378,849
Net Position:			
Beginning of year, restricted for claim contingency and benefits	285,006,537	7,611,440	49,214,844
End of year, restricted for claims contingency and benefits	289,513,882	5,538,933	56,593,693

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan (HRA)	OPEB and Pensions	Totals
13,433,409	5,988,486	93,659,527	(11)	—	1,169,610,081
—	—	—	—	—	21,241,961
—	—	—	8,624,949	—	8,624,949
2,566,431	5,758,318	4,811,222	2,510,842	—	41,775,659
—	—	1	—	—	131,381
15,999,840	11,746,804	98,470,750	11,135,780	—	1,241,384,031
—	—	—	7,265,386	—	997,380,758
—	—	—	—	—	34,474,246
—	—	—	—	—	2,573,488
11,315,596	6,289,112	—	—	—	17,604,708
363,853	—	—	—	—	84,531,545
(1,091,536)	(12,267)	—	—	—	(1,903,380)
—	—	79,584,825	—	—	6,861,578
(31)	—	—	—	—	9,295,100
10,587,882	6,276,845	79,584,825	7,265,386	—	1,150,818,043
2,008,406	238,755	—	158,582	—	43,338,300
370,558	—	21,675	—	—	6,236,835
—	—	—	—	—	336,906
—	—	2,735,116	—	(1,372,194)	1,362,922
12,966,846	6,515,600	82,341,616	7,423,968	(1,372,194)	1,202,093,006
3,032,994	5,231,204	16,129,134	3,711,812	1,372,194	39,291,025
29,146,233	(4,719,964)	62,165,112	49,666,722	(1,372,194)	476,718,730
32,179,227	511,240	78,294,246	53,378,534	—	516,009,755

Unaudited Supplementary Information *(Continued)*

Public Employees Health Program

Medical Program Risk Pools Statement of Net Position (Unaudited)

As of June 30, 2025

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Assets:			
Cash and cash equivalents	$ 3,178,175	2,680,829	93,579,899
Investments	134,837,219	14,445,750	59,381,313
Invested securities lending collateral	742,787	83,920	313,296
Receivables:			
Premiums and service fees	27,121,860	1,774,332	9,551,330
Investments	1,030,869	112,673	444,682
Misc. receivables/prepaid expenses	12,581,350	768,870	3,335,229
Total receivables	40,734,079	2,655,875	13,331,241
Capital assets net of accumulated depreciation	—	—	—
Total assets	179,492,260	19,866,374	166,605,749
Liabilities:			
Claims payable	23,779,276	2,243,754	11,705,398
Estimated liability for claims incurred but not reported	46,545,186	6,254,294	17,706,084
Premiums payable (pass through dental and vision)	(220,575)	—	164,291
Unearned premiums	476	3,797,171	(503)
Investment accounts payable	514,040	58,085	216,842
PPACA and other accrued expenses payable	271,729	183,178	652,083
Taxes payable	(5,977)	168	3,373
Experience dividend payable	—	—	1,324,765
Due to other agencies and other liabilities	2,246,275	(84,574)	733,052
Security lending liability	742,787	83,920	313,296
Total liabilities	73,873,217	12,535,996	32,818,681
Net Position:			
Restricted for claims contingency reserves	$ 105,619,043	7,330,378	133,787,068

Utah School Board Associations (USBA)	Self Funded Healthcare Groups	Medicare Supplement	Totals
1,769,958	6,358,271	22,573,606	130,140,738
16,676,782	—	5,250,670	230,591,734
94,790	—	41,829	1,276,622
4,291,080	2,244,757	2,108,715	47,092,074
80,224	5,582	82,514	1,756,544
1,296,073	243,982	2,861,662	21,087,166
5,667,377	2,494,321	5,052,891	69,935,784
—	—	—	—
24,208,907	8,852,592	32,918,996	431,944,878
3,135,344	—	3,509,851	44,373,623
3,031,141	—	2,696,822	76,233,527
(243)	2,133	466,181	411,787
2,141	308	(16,639)	3,782,954
65,609	—	29,043	883,619
4,604	1,689,391	1,501,107	4,302,092
1,517	2,081	469	1,631
—	—	—	1,324,765
149	6,945,474	—	9,840,376
94,790	—	41,829	1,276,622
6,335,052	8,639,387	8,228,663	142,430,996
17,873,855	213,205	24,690,333	289,513,882

Public Employees Health Program

Medical Program Risk Pools Statement of Changes in Net Position (Unaudited)

Fiscal Year July 1, 2024 - June 30, 2025

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Revenues:			
Premiums and service fees	$ 473,268,776	43,367,552	265,666,124
Federal subsidy	—	—	—
Investment income	11,447,248	1,293,267	4,827,974
Miscellaneous income	872	129,676	473
Total revenues	484,716,896	44,790,495	270,494,571
Expenses:			
Insurance benefits:			
Health/pharmacy claims paid	449,947,858	46,573,797	241,996,707
Reinsurance premiums	31,823,173	4,634,278	42,223,883
Provision for unpaid claims and claims incurred but not reported	8,639,566	799,526	(10,945,053)
Reinsurance claims paid	(26,757,414)	(6,188,327)	(33,339,579)
Experience dividends	(140,408)	30,294	4,185,496
Total insurance benefits	463,512,775	45,849,568	244,121,454
Administrative and other expenses:			
Administrative expenses	15,739,130	2,172,632	10,201,763
PPACA fees	176,362	21,905	96,368
Commissions	—	—	5,209,275
Total expenses	479,428,267	48,044,105	259,628,860
Revenues over (under) expenses	5,288,629	(3,253,610)	10,865,711
Net Position:			
Beginning of year, restricted for claim contingency	100,330,414	10,583,988	122,921,357
End of year, restricted for claim contingency reserve 06-30-2021	$ 105,619,043	7,330,378	133,787,068

Utah School Board Associations (USBA)	Self Funded Healthcare Groups	Medicare Supplement	Totals
51,017,442	134,435,293	41,116,193	1,008,871,380
—	—	21,241,961	21,241,961
1,460,789	—	646,634	19,675,912
105	97	157	131,380
52,478,336	134,435,390	63,004,945	1,049,920,633
52,995,528	130,151,780	68,449,702	990,115,372
5,486,358	—	—	84,167,692
(433,763)	—	(1,514,333)	(3,454,057)
(6,827,615)	389,688	—	(72,723,247)
—	—	—	4,075,382
51,220,508	130,541,468	66,935,369	1,002,181,142
1,932,191	4,856,102	2,752,685	37,654,503
18,258	24,013	—	336,906
—	40,788	(9,326)	5,240,737
53,170,957	135,462,371	69,678,728	1,045,413,288
(692,621)	(1,026,981)	(6,673,783)	4,507,345
18,566,476	1,240,186	31,364,116	285,006,537
17,873,855	213,205	24,690,333	289,513,882

Unaudited Supplementary Information *(Continued)*

Public Employees Health Program

Dental Program Risk Pools Statement of Net Position (Unaudited)

As of June 30, 2025

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
Assets:					
Cash and cash equivalents	$ (2,741,641)	201,313	536,281	(1,214,416)	(3,218,463)
Investments	4,621,257	702,197	2,339,883	3,479	7,666,816
Invested securities lending collateral	25,437	3,913	13,479	—	42,829
Receivables:					
Premiums and service fees	1,228,475	106,723	2,006,549	1,870,280	5,212,027
Investments	33,833	6,108	17,798	217	57,956
Other receivables	45,077	7,312	6,854	—	59,243
Total receivables	1,307,385	120,143	2,031,201	1,870,497	5,329,226
Total assets	3,212,438	1,027,566	4,920,844	659,560	9,820,408
Liabilities:					
Claims payable	945,395	137,291	402,233	119,497	1,604,416
Estimated liability for claims incurred but not reported	1,498,985	247,681	558,239	52,055	2,356,960
Premiums payable (pass through dental and vision)	(17,269)	—	446	—	(16,823)
Unearned premiums	(707)	206,649	59	42	206,043
Investment accounts payable	17,606	2,709	9,330	—	29,645
PPCA and other accrued expenses payable	742	180	1,172	56,180	58,274
Taxes payable				131	131
Security lending liability	25,437	3,913	13,479	—	42,829
Total liabilities	2,470,189	598,423	984,958	227,905	4,281,475
Net Position:					
Restricted for claims contingency reserves	$ 742,249	429,143	3,935,886	431,655	5,538,933

Public Employees Health Program

Dental Program Risk Pools
Statement of Changes in Net Position (Unaudited)

Fiscal Year July 1, 2024 - June 30, 2025

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
Revenues:					
Premiums and service fees	$ 18,996,903	2,735,518	8,947,187	2,048,158	32,727,766
Investment income	392,001	60,308	207,727	—	660,036
Total Revenues	19,388,904	2,795,826	9,154,914	2,048,158	33,387,802
Expenses:					
Insurance Benefits					
Health/pharmacy claims paid	20,199,156	2,926,602	8,693,924	2,654,564	34,474,246
Provision for unpaid claims and claims incurred but not reported	(405,593)	(21,156)	(471,485)	(350,346)	(1,248,580)
Experience dividends	(18,022)	—	—	—	(18,022)
Total Insurance Benefits	19,775,541	2,905,446	8,222,439	2,304,218	33,207,644
Administrative and other expenses:					
Administrative expenses	1,085,849	136,466	435,530	148,425	1,806,270
Commissions	—	—	446,395	—	446,395
Total expenses	20,861,390	3,041,912	9,104,364	2,452,643	35,460,309
Revenues over (under) expenses	(1,472,486)	(246,086)	50,550	(404,485)	(2,072,507)
Net position:					
Beginning of year, restricted for claim contingency	2,214,735	675,229	3,885,336	836,140	7,611,440
End of year, restricted for claim contingency reserve	$ 742,249	429,143	3,935,886	431,655	5,538,933

PEHP
Health & Benefits