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August 11, 2026

Via Electronic Mail

Mr. Scott DeRoche
Executive Director
HealthTrust, Inc.
25 Triangle Park Drive
Concord, NH 03302

Re: Premium Deficiency Reserve Estimate as of June 30, 2026

Dear Scott:

As requested, we have performed an analysis to determine the need for HealthTrust to hold a premium deficiency reserve as of June 30, 2026.

Results

Based on our projection of revenue and expenses for the period July 1, 2026 through June 30, 2027, HealthTrust does not require a premium deficiency reserve as of June 30, 2026.

The premium deficiency reserve is estimated based on the following information:

1. Historical membership information through June 2026 and current enrollment as of July 1, 2026.
2. Medical claims incurred May 1, 2025 through April 30, 2026, paid through May 31, 2026.
3. Prescription drug claims paid May 1, 2025 through April 30, 2026.
4. Dental and short-term disability claims paid July 1, 2025 through June 30, 2026.
5. Prescription drug rebates owed to HealthTrust for claims incurred January 1, 2023 through June 30, 2026.
6. Projected carrier, state and federal fees for January 1, 2026 through June 30, 2027.
7. Projected HealthTrust operating budget for January 1, 2026 through June 30, 2027.
8. Investment income projection for July 1, 2026 through June 30, 2027.
9. Current premium rates.

Methodology and Assumptions

We made the following assumptions in our calculations:

Deficiency Period:	6-month period ending December 31, 2026 for the January Renewal medical, dental, and short-term disability (STD) coverages.
	12-month period ending June 30, 2027 for the July Renewal medical, dental, and short-term disability (STD) coverages.
Membership:	Enrollment for July 1, 2026 through June 30, 2027 will remain the same as on July 1, 2026.
Claims Trend:	Annual claims trends: - HMO & POS 8.5% - Medicomp 7.5% - CDHP 10.0% - Prescription Drug 11.5% - Dental 4.0%

Our analysis and results are shown in the attached exhibit.

Data Reliance

We relied upon the membership, claims, expenses, investment income and premium information provided in the following files:

- *Global Data-727.xlsx* - July renewal membership, paid claims and income at current rates
- *Global Data-127 JY.xlsx* - January renewal membership, paid claims and income at current rates
- *2027 Dental RateCalc D1.xlsx* - dental paid claims and income at current rates
- *STD Ratecalc 2027 D1.xlsx* - STD paid claims and contributions
- *HeathTrust Rebate JE Workbook 2026 Preliminary.xlsx* - prescription drug rebates owed to HealthTrust
- *RateCalc727 Fixed Fees to Milliman.xlsx* - HealthTrust administrative expenses and investment income

- *727 RateCalc D1.xlsx* - July renewal number of children under age 19 and ratio of members to contracts for non-Medicomp enrollees
- *127 RateCalc D1.xlsx* - January renewal number of children under age 19 and ratio of members to contracts for non-Medicomp enrollees
- The following files were used in determining current vs. average membership for July and January renewals:
 - *127 Ratefile Counts as of 7.1.2026.xlsx*
 - *727 Ratesfile Counts as of 7.1.2026.xlsx*
- *Anthem HealthTrust Financial Lag 2026-06-30 Exhibit.xlsx* - medical completion factors
- *Delta - HEALTHTRUST INC Financial Lag 2026-06-30.xlsx* - dental completion factor
- *Dental Covered Lives Count by Renewal as of 7.1.2026.xlsx* - split of covered dental membership between January and July renewal groups
- *Historical Enrollment by Fiscal Year 2026.xlsx* - current vs. average membership for STD and dental.
- *The following files were used in determining claims eligible for stop loss reimbursement*
 - *127 New Excess All 525-426 paid 526.xlsx*
 - *727 New Excess All 525-426 paid 526.xlsx*
- *BuyDown June 2026 to July 2026.xlsx* - July vs. June membership and income used for buy-down revenue calculation

In addition to the files listed above, additional assumptions were provided via email correspondence. We evaluated this information for reasonableness and consistency to the extent practicable. As is our practice, we did not audit or verify the underlying data and information but relied on it as provided to us. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

Caveats, Limitations, and Qualifications

Milliman has developed certain models to estimate the values included in this report. The intent of the models was to estimate HealthTrust's premium deficiency reserve amount as of June 30, 2026. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness for their intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOPs).



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The models rely on data and information as input to the models. We have relied upon certain data and information provided by HealthTrust for this purpose and accepted it without audit. To the extent that the underlying data or information is inaccurate or incomplete, our assessment may likewise be inaccurate or incomplete.

It should be emphasized that the estimates shown in this letter are estimates based upon certain assumptions. Actual experience may differ from these assumptions. To the extent that actual experience differs, the resulting reserve would be different from what is presented in this letter.

This letter is prepared solely for the internal business use of HealthTrust, Inc. for the preparation of US GAAP financial statements. The reserve amount stated in this letter may not be appropriate for other purposes. Our work may not be provided to third parties without our prior written consent. Milliman does not intend to benefit any third-party recipient of its work product, even if we consent to the release of the work product to such third party.

Eric A. Buzby is a Senior Consulting Actuary with Milliman. He is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Eric A. Buzby". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Eric A. Buzby, FSA, MAAA
Senior Consulting Actuary

CC: Kathleen Fox, HealthTrust
Jeanne Herrick, HealthTrust
Allie Aird, Milliman
Aum Mundhe, Milliman

HealthTrust, Inc.
Premium Deficiency Reserve (PDR) as of June 30, 2026

	July Renewal Medical/Rx	January Renewal Medical/Rx	Dental	STD	Total
1. Experience Period (EP)	5/1/25 - 4/30/26	5/1/25 - 4/30/26	7/1/25 - 6/30/26	7/1/25 - 6/30/26	
2. Average number of enrollees	15,341	3,727	25,722	4,782	
3. a. Average number of members	35,288	8,291			
b. Average number of non-Medicomp members	33,283	8,078			
4. Claims					
a. Paid claims	\$321,151,273	\$82,413,123	\$29,012,767	\$1,600,978	
b. Claims eligible for stop loss reimbursement	(\$2,623,905)	\$0	\$0	\$0	
c. Completion	\$6,456,214	\$212,017	\$169,486	\$0	
d. Plan changes	\$0	\$0	\$0	\$0	
e. Prescription drug rebates	<u>(\$5,210,320)</u>	<u>(\$1,309,308)</u>	<u>\$0</u>	<u>\$0</u>	
f. Adjusted completed claims	\$319,773,262	\$81,315,833	\$29,182,253	\$1,600,978	
5. Guarantee period claims	7/1/26 - 6/30/27	7/1/26- 12/31/26	July: 7/1/26 - 6/30/27 Jan: 7/1/26 - 12/31/26	July: 7/1/26 - 6/30/27 Jan: 7/1/26 - 12/31/27	
a. Claims trended to guarantee period	\$353,720,292	\$88,115,396	\$30,307,009	\$1,661,688	
b. Total claims, adjusted for length of guarantee period	\$353,720,292	\$44,057,698	\$28,148,680	\$1,327,177	
6. Carrier fees (contract rates applied to enrollees or members)					
a. Administrative fee	\$9,969,802	\$1,270,383	\$1,773,416	\$0	
b. Anthem EPHC provider payments	\$2,435,485	\$292,641	\$0	\$0	
c. Stop loss premium	<u>\$4,634,845</u>	<u>\$610,795</u>	<u>\$0</u>	<u>\$0</u>	
d. Total	\$17,040,133	\$2,173,819	\$1,773,416	\$0	
7. HealthTrust administrative expense (projected budget, allocated by number of contracts)	\$14,762,078	\$1,698,830	\$637,037	\$95,295	
8. Investment income credit	(\$2,070,107)	(\$251,478)	(\$139,000)	\$0	
9. State & federal fees					
a. New Hampshire Vaccine Fee	\$1,240,470	\$151,788			
b. ACA PCORI fee	<u>\$145,032</u>	<u>\$17,037</u>			
c. Total	\$1,385,502	\$168,825			
10. Total projected cost on average enrollment in experience period [(5.b.)+(6.d.)+(7.)+(8.)+(9.c.)]	\$384,837,898	\$47,847,693	\$30,420,132	\$1,422,472	
11. Income at current rates on average enrollment in experience period	\$403,671,430	\$50,309,772	\$32,359,455	\$1,502,626	
12. Cost and income scaled to current enrollment and adjusted for July medical buy-downs					
a. Cost	\$382,203,696	\$48,077,215	\$30,381,485	\$1,371,105	\$462,033,501
b. Income at current rates on current enrollment	\$395,776,880	\$50,558,632	\$32,317,660	\$1,444,469	\$480,097,640
13. Premium Deficiency Reserve [(12.a) - (12.b), "Total" column, but not less than zero]					\$0