BUPA INSURANCE COMPANY

Statutory Financial Statements
and Supplemental Schedules

December 31, 2024 and 2023

BUPA INSURANCE COMPANY

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Report of Independent Auditors

To the Board of Directors of BUPA Insurance Company

Opinions

We have audited the accompanying statutory financial statements of BUPA Insurance Company (the "Company"), which comprise the statutory statements of admitted assets, liabilities and capital and surplus as of December 31, 2024 and 2023, and the related statutory statements of income and of changes in capital and surplus, and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities and capital and surplus of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with the accounting practices prescribed or permitted by the Florida Office of Insurance Regulation described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2024 and 2023, or the results of its operations or its cash flows for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the Florida Office of Insurance Regulation, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the Florida Office of Insurance Regulation. Management is also responsible 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 Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS 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 US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental Schedule of Investment Risks and Interrogatories and Supplemental Summary Investment Schedule (collectively referred to as the "supplemental schedules") of the Company as of December 31, 2024 and for the year then ended are presented to comply with the National Association of Insurance Commissioners' Annual Statement Instructions and Accounting Practices and Procedures Manual and for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

Miami, Florida
May 27, 2025

BUPA INSURANCE COMPANY

Statutory Statements of Admitted Assets, Liabilities, and Capital and Surplus

December 31, 2024 and 2023

Admitted Assets		**2024**	**2023**
Bonds	$	123,835,641	85,251,006
Cash, cash equivalents, and short-term investments (including short-term bonds in the amount of $8,958,391 and $42,096,458 as of December 31, 2024 and 2023, respectively)		44,293,443	93,698,113
Contract loans		15,735	14,302
Total Cash, Cash Equivalents, and Invested Assets		168,144,819	178,963,421
Investment income due and accrued		1,253,488	2,925,216
Premiums due and unpaid		3,455,664	3,007,031
Other amounts receivable under reinsurance contracts		17,664,963	9,180,539
Federal and foreign tax receivable		—	2,354,635
Net Deferred Tax Asset		4,055,739	3,951,851
Receivable from subsidiaries and affiliates		8,597,895	7,967,331
Other assets		16,155	15,617
Total Admitted Assets	$	203,188,723	208,365,641
Liabilities and Capital and Surplus			
Liabilities			
Claims unpaid	$	22,456,891	25,295,132
Aggregate life policy reserves		476,740	639,793
Unearned health premium reserves		74,961,716	74,891,025
Premiums received in advance		2,202,979	2,494,989
General expenses due and accrued		4,612,346	3,696,963
Remittances and items not allocated		1,975,676	1,329,798
Federal and foreign income tax payable		686,023	1,044,921
Payable to subsidiaries and affiliates		2,293,414	2,308,228
Reinsurance commissions payable		2,841,203	6,057,936
Other liabilities and accruals		12,698	5,384
Total Liabilities		112,519,686	117,764,169
Capital and Surplus			
Common capital stock, par value of $1.25. Authorized, 10,000,000 shares at December 31, 2024 and 2023; issued and outstanding, 8,414,181 at December 31, 2024 and 2023		10,517,727	10,517,727
Gross paid-in and contributed surplus		127,984,490	127,984,490
Unassigned surplus		(47,833,180)	(47,900,745)
Total Capital and Surplus		90,669,037	90,601,472
Total Liabilities and Capital and Surplus	$	203,188,723	208,365,641

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

BUPA INSURANCE COMPANY

Statutory Statements of Income

Years ended December 31, 2024 and 2023

		2024	2023
Revenue:			
Net premium income	$	204,448,638	206,016,651
Change in unearned premium reserves and reserve for rate credits		(70,692)	(2,306,183)
Aggregate write-ins for other healthcare-related revenue		787,750	905,684
Total Revenue		205,165,696	204,616,152
Deductions:			
Hospital and medical benefits		68,374,855	59,736,516
Net insurance recoverable		71,020,274	74,268,136
Nonhealth claims		(43,143)	(21,964)
General administrative expenses (including commissions of $51,134,639 and $56,765,062 for the years ended December 31, 2024 and 2023, respectively)		58,288,609	62,603,965
Total Deductions		197,640,595	196,586,653
Net underwriting gain		7,525,101	8,029,499
Other income (expense):			
Gain on sale of subsidiary		—	3,168,226
Net realized capital losses		—	(693,299)
Net investment income		8,083,614	8,964,434
Net income from operations before income taxes		15,608,715	19,468,860
Federal and foreign income tax expense		4,507,827	6,514,097
Net income	$	11,100,888	12,954,763

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

BUPA INSURANCE COMPANY

Statutory Statements of Changes in Capital and Surplus

Years ended December 31, 2024 and 2023

	Common capital stock	Gross paid-in and contributed surplus	Unassigned surplus (deficit)	Total
Balance – December 31, 2022	10,517,727	127,984,490	7,582,085	146,084,302
Change in net deferred tax asset	—	—	21,921	21,921
Change in nonadmitted assets	—	—	29,115	29,115
Change in net unrealized capital loss	—	—	31,463,217	31,463,217
Dividends paid to sole shareholder	—	—	(99,951,846)	(99,951,846)
Net income	—	—	12,954,763	12,954,763
Balance – December 31, 2023	10,517,727	127,984,490	(47,900,745)	90,601,472
Change in net deferred tax asset	—	—	103,888	103,888
Change in nonadmitted assets	—	—	(137,211)	(137,211)
Dividends paid to sole shareholder	—	—	(11,000,000)	(11,000,000)
Net income	—	—	11,100,888	11,100,888
Balance – December 31, 2024	$ 10,517,727	127,984,490	(47,833,180)	90,669,037

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

BUPA INSURANCE COMPANY

Statutory Statements of Cash Flow

Years ended December 31, 2024 and 2023

		2024	2023
Cash flow from operations:			
Premiums collected, net of reinsurance	$	215,976,674	190,594,510
Net investment income		9,012,971	6,702,878
Other income		787,750	905,684
Benefits and loss-related payments		(163,054,511)	(119,011,192)
Commissions, expenses paid, and aggregate write-ins		(61,762,421)	(59,559,303)
Federal and foreign income taxes paid		(2,512,090)	(7,852,848)
Net cash (used in) provided by operations		(1,551,627)	11,779,729
Cash flow from investments:			
Proceeds from investments sold, matured, or repaid:			
Bonds		70,230,000	66,560,000
Common stocks		—	58,816,979
Total investment proceeds		70,230,000	125,376,979
Cost of investments acquired:			
Bonds		(107,081,610)	(59,876,610)
Total investments acquired		(107,081,610)	(59,876,610)
Net increase (decrease) in contract loans		(1,433)	233,107
Net cash (used in) provided by investments		(36,853,043)	65,733,476
Cash flow from financing and miscellaneous sources:			
Loan proceeds from subsidiaries and affiliates		—	4,000,000
Dividends paid to parent		(11,000,000)	(99,951,846)
Net cash used in financing and miscellaneous sources		(11,000,000)	(95,951,846)
Net change in cash, cash equivalents, and short-term investments		(49,404,670)	(18,438,641)
Cash, cash equivalents, and short-term investments, beginning of year		93,698,113	112,136,754
Cash, cash equivalents, and short-term investments, end of year	$	44,293,443	93,698,113

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

(1) Organization and Significant Accounting Policies

(a) *Organization*

BUPA Insurance Company (the Company) is a health insurance company that files its annual report with the Florida Office of Insurance Regulation (Florida OIR). The Company was incorporated in 1973 and obtained a license to write specific coverage in the state of Florida in July 1973. The Company was acquired on September 9, 2005 by Grupo BUPA Sanitas (GBS), a subsidiary of the British United Provident Association (BUPA), a corporation domiciled in England. In October 2013, Bupa Investment Overseas Limited (BIOL), a subsidiary of BUPA, acquired a 33.19% interest in the Company. During 2014, BIOL increased its ownership interest to 59.28%. In December 2015, Bupa Investments Holdings Limited acquired all shares owned by both GBS and BIOL, becoming the Company's sole shareholder. During 2016, Bupa Investments Holdings Limited changed its name to Bupa Global Holdings Limited.

The Company provides accident and health and life insurance primarily to individuals in Latin America and the Caribbean.

(b) *Basis of Presentation*

The accompanying statutory financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* and the Florida OIR, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). Prescribed statutory accounting practices include a variety of publications of the NAIC, as well as state laws, regulations, and general administrative rules. As of December 31, 2024 and 2023, the Company did not utilize any statutory accounting principles (SAP), which were not prescribed by insurance regulators.

SAP differ from GAAP in several respects, which cause differences in reported assets, liabilities, stockholder's equity (statutory capital and surplus), net income, and cash flows. The primary differences between SAP and GAAP include the following:

- Investments in bonds are carried at admitted value, which is based on NAIC designation. NAIC 1-2 are held at amortized cost, 3-6 are held at lesser of cost or fair value. Under GAAP, investments in bonds, other than those classified as held to maturity, are carried at fair value.
- Certain assets (principally, prepaid expenses, deposits, fixed assets, and receivables that are outstanding for more than 90 days from the due date) have been designated as non-admitted assets and excluded from assets by a charge to statutory surplus. Under GAAP, such amounts are carried at cost less amortization or net realizable value.
- Deferred income taxes are recognized for both SAP and GAAP; however, the amount permitted to be recognized is generally more restrictive under SAP. Changes in deferred tax assets and liabilities are charged or credited directly to unassigned surplus under SAP. Under GAAP, these changes generally are included in net income. Admittance testing may result in a charge to surplus for non-admitted portions of deferred tax assets.
- Policy acquisition costs are expensed as incurred, while under GAAP, these costs are deferred and recognized over either (i) the expected premium paying period or (ii) the estimated term of the

contract. Under GAAP, assumed reinsurance commission allowances are also deferred as an offset to deferred policy acquisition costs and recognized in proportion to the related policy acquisition costs.

- Reserves are reported as liabilities, net of ceded reinsurance; under GAAP, reserves relating to business in which the Company is not legally relieved of its liability are reported gross with an offsetting reinsurance recoverable presented as an asset.
- The statutory statements of cash flow differ in certain respects from the presentation required by GAAP, including the presentation of the changes in cash and short-term investments instead of cash and cash equivalents. Savings accounts and certificates of deposit in banks or other financial institutions with maturities within one year or less from the acquisition date are classified as cash for financial statement purposes under SAP. Short-term investments include securities with maturities, at the time of acquisition, of 90 days or less. For statutory purposes, there is no reconciliation between net income and cash from operations.
- Statutory financial statements do not include reporting and display of comprehensive income as specified under GAAP.

(c) ***Use of Estimates***

The preparation of the statutory financial statements requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the statutory financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of unearned health premium reserves, premium deficiency reserves, liabilities for unpaid claims, doubtful accounts for receivables, and valuation allowances for deferred income taxes. Actual results could differ from those estimates, and such differences could be significant.

(d) ***Cash, Cash Equivalents, and Invested Assets***

In accordance with the requirements under SAP, bonds, certain preferred stock, and short-term investments are typically stated at amortized cost or the valuations promulgated by the NAIC. Investments in bonds not backed by other loans are generally carried at amortized cost, except where the NAIC designation indicates that a bond be carried at the fair value. Changes in prepayment assumptions are accounted for prospectively. Discount or premium on bonds is recorded for the difference between the purchase price and the principal amount, amortized using the effective-interest method. Interest revenue is recognized when earned. Realized gains or losses on sales of investments are determined on the basis of specific identified cost and recognized in net income. Short-term investments are stated at cost, which approximates fair value. For the purpose of the statutory statements of cash flow and the statutory statements of admitted assets, liabilities, and capital and surplus, short-term investments include investments that have a maturity of 90 days or less as of the date of acquisition and cash includes negotiable certificates of deposit that have a maturity date of one year or less at the date of acquisition.

If any unrealized losses are deemed other than temporary, such unrealized losses are recognized as realized losses in the Statutory Statements of Income. The Company has not recognized other-than-temporary losses on securities during 2024 or 2023.

Contract loans are stated at their unpaid principal balance, less an allowance for loan losses, if any. As of and for the years ended December 31, 2024 or 2023, the Company had no impaired contract loans.

The Company has provided deposits with a face value of $99,004 and $99,126 to Republic Bank (Anguilla) Limited as required by Anguilla Financial Services Commission, $371,883 and $363,236 to Arubabank as required by Centrale Bank Van Aruba, and $250,000 and $250,000 to BVI Financial Services Commission as required by British Virgin Islands Financial Services Commission as of December 31, 2024 and 2023, respectively. These amounts have been reported as components of cash, cash equivalents, and short-term investments in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus.

(e) ***Investment in Mexican Subsidiary***

During 2003, the Company established Bupa Mexico, a 99.99% owned subsidiary, which was incorporated on July 31, 2003 in Mexico. The investment in this entity was recorded based on the underlying audited GAAP equity of Bupa Mexico adjusted to a statutory basis of accounting as required by Statements of Statutory Accounting Principles (SSAP) No. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88*. On February 27, 2023 the Company sold its 99.9% interest in Bupa Mexico for $ 58,999,922 to Bupa Global Holdings Limited (BGHL), an affiliate company.

(f) ***Premium and Annuity Considerations Recognition and Acquisition Costs***

Accident and health insurance premiums are recognized as revenue ratably over the time period to which premiums relate. The liability for unearned premiums for accident and health contracts represents the unexpired portion of the premiums in force and is reported on the Statutory Statements of Admitted Assets, Liabilities, and Capital and Surplus as unearned health premium reserves.

Life and annuity premiums are recorded as income when due from policyholders under the terms of the insurance contract. Recognition of life premium income is consistent with the assumptions made in calculating the related policy reserve.

Costs of acquiring and renewing business are expensed as incurred.

(g) ***Claims Unpaid***

The liability for unpaid accident and health contract claims represents the amounts estimated to fund claims that have been reported but not settled and claims incurred but not reported. The liability for unpaid claims is estimated based on the Company’s historical experience and other actuarial assumptions that consider the effects of current developments, anticipated trends, risk management programs, and renewal actions. Many factors affect actuarial calculations of claim liability including, but not limited to, current and anticipated incidence rates and economic and societal conditions. Management periodically performs a review of estimates and assumptions. If management determines assumptions need to be updated, any resulting adjustment to liabilities is reflected in the current year results. Given that insurance products contain inherent risks and uncertainties, the ultimate liability may be more or less than such estimates indicate.

(h) ***Premium Deficiency Reserve***

The Company evaluates its health care contracts to determine if it is probable that a loss will be incurred. A premium deficiency loss is recognized when it is probable that expected future claims, claims adjustment expenses and appropriate administrative costs will exceed anticipated future premiums on existing contracts, with consideration of investment income. For purposes of determining if a premium deficiency reserve exists, contracts are grouped in a manner consistent with the Company’s method of acquiring, servicing and measuring the profitability of such contracts.

There were no premium deficiency reserves established as of December 31, 2024 and 2023

(i) ***Income Taxes***

The Company determines income tax balances and related disclosures in accordance with SSAP No. 101, *Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10*.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in surplus in the period that includes the enactment date.

The Company classifies net interest expense related to tax matters and any applicable penalties as a component of general and administrative expense.

The admissibility of the Company’s gross deferred tax assets is based on the provisions in paragraph 11 of SSAP No. 101.

(j) ***Reinsurance***

The Company assumes health risks from affiliates. The Company has treaties with Bupa Guatemala Compañía de Seguros S.A. (Bupa Guatemala) and Bupa Dominicana S.A. (Bupa DR), companies under common ownership, which have both coinsurance and Excess of Loss (XOL) elements. Bupa Panama S.A. (Bupa Panama) and Bupa Ecuador S.A., Compañía de Seguros y Reaseguros (Bupa Ecuador), only have XOL treaties with the Company. Bupa Insurance Limited (BINS) has a coinsurance treaty with the Company.

The Company has a reinsurance contract with Lloyds Syndicate #2001, managed by Amlin Underwriting Limited, covering 85% of both premiums and losses underwritten by Amlin.

BIC has a reinsurance contract with Compañía de Seguros Bolivar S. A. (Seguros Bolivar), a company incorporated in Colombia, where the Company reinsures 95% of both premiums and losses written by Seguros Bolivar.

The Company has a reinsurance contract with Mapfre Peru Compañia de Seguros y Reaseguros S.A (Mapfre Peru), a company incorporated in Peru, with both quota share and excess of loss components. The quota shares has the Company assuming 70% of the risk, with a 30% commission. The excess of loss will cover claims over $150,000 and the premium is 2.8% of the 30% of the risk retained by Mapfre Peru.

The Company has a reinsurance contract with Mapfre Paraguay Compañia de Seguros S.A (Mapfre Paraguay), a company incorporated in Paraguay, with both quota share and excess of loss components. The quota shares has the Company assuming 90% of the risk, with a 35% commission. The excess of loss will cover claims over $50,000 and the premium is 2.8% of the 10% of the risk retained by Mapfre Paraguay.

Assumed reinsurance premiums, commissions, expense reimbursements, and reserves related to reinsured business are accounted for on the basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts.

All of these treaties have full transfer of risk for the amounts specified in the treaty. There are no additional premiums, allowances, or loss adjustments based on the portfolio experience that would limit the risk to the Company or return risk to the ceding companies. Based on these points, these contracts meet the requirements for reinsurance accounting.

(k) ***Non-admitted Assets***

Certain assets, such as work in progress, deferred tax assets, deposits, prepaid expenses, electronic data processing equipment, furniture and equipment, receivables 90 days past due, have been designated as nonadmitted assets by a charge to statutory surplus. Changes in these assets are presented as changes in unassigned surplus.

		2024	2023	Increase in suplus for 2024
Furniture and equipment	$	272,380	28,885	(243,495)
Computer Software		3,081	—	(3,081)
Work In Progress		—	155,303	155,303
Prepaid Insurance		51,076	5,138	(45,938)
Total non admitted assets	$	326,537	189,326	(137,211)

(l) ***Fair Value Measurement***

The fair value of financial instruments represents estimates of fair values at a specific point in time determined by the Company using available market information and appropriate valuation methodologies. These estimates are subjective in nature and involve uncertainties and significant judgment in the interpretation of current market data.

SSAP No. 100, *Fair Value Measurements*, specifies a fair value hierarchy based on whether the inputs to valuation techniques used to measure fair value are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about market participants' assumptions based on the best information available in the circumstances. In accordance with SSAP No. 100, the fair value hierarchy prioritizes model inputs into three broad levels:

Level 1: Quoted prices for identical instruments in active markets that the Company has the ability to access.

Level 2: Quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments that are not in active markets, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3: Model-driven valuations in which one or more significant inputs or significant value drivers are unobservable.

As of December 31, 2024 or 2023, there were no significant financial assets and liabilities that are measured at fair value on a recurring basis. However, the Company discloses the fair value of bonds which are reported at amortized cost on the Statutory Statements of Admitted Assets, Liabilities, and Capital and Surplus as further discussed in note 2 and 3.

(m) ***Derivative Instruments and Hedging Activities***

Bupa Investments Limited (BIL) and Bupa Finance Limited (Bupa Finance), affiliated entities, enter into non deliverable forward contracts and foreign currency swaps on behalf of the Company in order to limit exposure to fluctuations in foreign currency exchange rates. These contracts were entered into in order to fix U.S. dollar (USD) amounts for a portion of the anticipated net cash flow related to policyholders' premiums and claims. The Company does not use derivative instruments for speculative purposes. The fair value of derivatives is estimated using available market information and appropriate valuation methodologies. The derivatives derive their value primarily based on changes in currency exchange.

All derivatives are recorded at fair value by BIL or Bupa Finance, and the changes in fair value are charged to the Company and included in earnings. The Company reported cash inflows of $51,704 and

$871,726 related to realized gains on hedging transactions during 2024 and 2023, respectively. The unrealized loss of the outstanding contracts Bupa Finance held on behalf of the Company as of December 31, 2024 was $990,654. The unrealized gain of the outstanding contracts BIL and Bupa Finance held on behalf of the Company as of December 31, 2023 was $208,638. The notional principal amount related to these contracts was approximately $4.9 million and $6.5 million as of December 31, 2024 and 2023, respectively. The contracts are settled net; the unrealized gains or losses are recorded as an intercompany receivable (payable) with BIL or Bupa Finance, which has a corresponding asset (liability) with the respective banking institutions.

(2) Investments

The amortized cost, gross unrealized gains and losses, and fair value of investment securities as of December 31, 2024 are as follows:

		Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Bonds:					
U.S. Treasury securities and obligations of U.S. government agencies, states, and political subdivisions	$	87,312,433	200,523	(556,815)	86,956,141
Industrial and miscellaneous		36,523,208	44,574	—	36,567,782
Total bonds	$	123,835,641	245,097	(556,815)	123,523,923

The industrial and miscellaneous bonds comprise $36.5 million of corporate bonds.

The amortized cost, gross unrealized gains and losses, and fair value of investment securities as of December 31, 2023 are as follows:

		Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Bonds:					
U.S. Treasury securities and obligations of U.S. government agencies, states, and political subdivisions	$	10,561,083	44,824	(29,838)	10,576,069
Industrial and miscellaneous		74,689,923	53,595	(67,076)	74,676,442
Total bonds	$	85,251,006	98,419	(96,914)	85,252,511

The industrial and miscellaneous bonds comprise $54.7 million of corporate bonds and three certificates of deposit issued by a financial institution for $20.0 million.

The amortized cost, gross unrealized gains and losses, and fair value of short-term investments as of December 31, 2024 are as follows:

		Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Short-term bonds					
Industrial and miscellaneous	$	8,971,600	—	(13,209)	8,958,391
	$	8,971,600	—	(13,209)	8,958,391

The industrial and miscellaneous bonds comprise $9.0 million of corporate bonds.

The amortized cost, gross unrealized gains and losses, and fair value of short-term investments as of December 31, 2023 are as follows:

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Short-term bonds				
U.S. Treasury securities and obligations of U.S. government agencies, states, and political subdivisions	$ 5,901,942	4,518	—	5,906,460
Industrial and miscellaneous	$ 36,194,516	24,459	(5,018)	36,213,957
	$ 42,096,458	28,977	(5,018)	42,120,417

The industrial and miscellaneous bonds comprise $36.2 million of corporate bonds

Gross unrealized holding gains and losses on investment securities for which other-than-temporary impairments have not been recognized and the fair values of those securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, as of December 31, 2024 and 2023, and were as follows:

	2024					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized losses	Fair Value	Gross Unrealized losses	Fair Value	Gross Unrealized losses
Bonds:						
U.S. Treasury securities and obligations of U.S. Government agencies, states, and political subdivisions	$ —	—	43,367,216	(556,815)	43,367,216	(556,815)
	$ —	—	43,367,216	(556,815)	43,367,216	(556,815)

	2023					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Gross unrealized losses	Fair Value	Gross unrealized losses	Fair Value	Gross unrealized losses
Bonds:						
U.S. Treasury securities and obligations of U.S. government agencies states, and political sudivisions			661,891	(29,839)	661,891	(29,839)
Industrial and miscellaneous	35,598,837	(46,945)	23,276,194	(20,130)	58,875,031	(67,075)
	$ 35,598,837	(46,945)	23,938,085	(49,969)	59,536,922	(96,914)

At December 31, 2024 and 2023, all of the Company's securities are investment-grade fixed-income securities. Each of these investments is current on interest and principal payments. Unrealized losses were primarily due to interest rate fluctuations and market movements during the year and are not considered to be other-than-temporarily impaired as the Company has the intent and ability to hold these securities until they mature or recover in value.

Management considered several factors in determining that securities carried at an unrealized loss position were no other-than-temporarily impaired, including the nature of the investments, the severity and duration of the impairment, industry analyst reports and the volatility of the securities market price at the time the statutory financial statements were prepared. During 2024 and 2023, the Company recognized no other-than-temporary impairment losses on fixed-income securities.

The carrying values and fair value of bonds at December 31, by contractual maturity, are shown below:

	2024		2023	
	Amortized cost	Fair value	Amortized cost	Fair value
Due in 1 year or less	$ 54,431,957	54,547,352	69,703,911	69,669,271
Due after 1 year through 5 years	69,299,784	68,876,641	15,443,300	15,478,757
Due after 5 years through 10 years	103,900	99,930	103,795	104,869
	$ 123,835,641	123,523,923	85,251,006	85,252,897

There were sales of investment securities during 2024 and 2023 which resulted in a gross realized capital loss of $0 and $693,299, respectively. The credit quality of the bond portfolio at December 31 is identified in the table below. The quality ratings represent NAIC designations.

	2024		2023	
	Amortized cost	Percentage	Amortized cost	Percentage
NAIC 1 (highest quality)	$ 120,363,274	97.2%	85,251,006	100.0 %
NAIC 2 (high quality)	$ 3,472,367	2.8%	—	— %
	$ 123,835,641	100%	85,251,006	100.0 %

Bonds with ratings ranging from AAA/Aaa to BBB/Baa3, as assigned by a rating service such as Standard and Poor's Corporation or Moody's Investment Services, are generally regarded as investment-grade securities. Those securities issued or guaranteed by the U.S. government or an agency thereof are not rated but are considered to be investment-grade securities. The NAIC regards the U.S. government and agency securities and all A ratings as Class 1 (highest quality), BBB/Baa ratings as Class 2 (high quality), BB/Ba ratings as Class 3 (medium quality), B ratings as Class 4 (low quality), all C ratings as Class 5 (lower quality), and D ratings as Class 6 (in or near default).

Bonds include U.S. Treasury securities with a carrying value of $302,342 and $301,432 at December 31, 2024 and 2023, respectively, on deposit with the Florida OIR, as required by state insurance regulations. Bonds were also on deposit with the government of the U.S. Virgin Islands, with a carrying value of $496,106 and $494,092 at December 31, 2024 and 2023, respectively.

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

		2024	2023
Bonds	$	4,933,616	5,714,125
Related party loans		—	14,285
Commercial deposits		4,104,653	2,176,636
Derivative instruments		(938,950)	1,080,364
Other		1,433	(3,744)
Investment income		8,100,752	8,981,666
Investment expense		17,138	17,232
Net investment income	$	8,083,614	8,964,434

(3) **Fair Value Measurements**

The following table represents fair value of securities recorded or disclosed at fair value by SSAP No. 100 hierarchy levels as of December 31, 2024 and 2023:

		2024				
		Admitted assets	**Aggregate fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets:						
Bonds:						
U.S. Treasury securities and obligations of U.S. Government agencies, states, and political subdivisions	$	87,312,434	86,956,141	86,956,141	—	—
Industrial and miscellaneous		45,481,599	45,539,382	—	45,539,382	—
	$	132,794,033	132,495,523	86,956,141	45,539,382	—

	2023				
	Admitted assets	Aggregate fair value	Level 1	Level 2	Level 3
Financial assets:					
Bonds:					
U.S. Treasury securities and obligations of U.S. Government agencies, states, and political subdivisions	$ 16,463,025	16,482,529	16,482,529	—	—
Industrial and miscellaneous	110,884,438	110,890,785	—	110,890,785	—
	$ 127,347,463	127,373,314	16,482,529	110,890,785	—

The fair value estimates presented herein are based on quotations of national securities exchanges or pertinent information available to the Company as of December 31, 2024 and 2023. The estimated fair values of the financial instruments presented above were determined by the Company using market information available as of December 31, 2024 and 2023. Considerable judgment is required to interpret market data in developing the estimates of fair value for financial instruments for which there are no available market value quotations. The estimates presented are not necessarily indicative of the amounts the Company could have realized in a market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The carrying value of cash, cash equivalents, and short-term investments, contract loans, fees and other receivables, and accrued expenses approximates fair value due to short maturity or short duration of these instruments.

(4) Accident and Health Contract Claims

Activity in the liability for accident and health contract claims, net of reinsurance ended for the years ended December 31, 2024 and 2023 is summarized as follows:

	2024	2023
Claim reserves at January 1	$ 25,295,130	26,827,870
Incurred related to:		
Current year	141,128,057	138,140,699
Prior years	(1,732,928)	(4,136,047)
Total incurred	139,395,129	134,004,652
Paid related to:		
Current year	$ 120,175,859	114,195,253
Prior years	22,057,509	21,342,139
Total paid	142,233,368	135,537,392
Claim reserves at December 31	$ 22,456,891	25,295,130

As noted in the table above, the change in prior years' reserves was a decrease of $1.7 million for 2024. Reserves remaining for prior year are now $0.9 million as a result of re-estimation of unpaid claims and claim adjustment expenses mainly on health lines of insurance. The 2024 decrease was the result of having lower incurred claims in Q4 2024 than was originally anticipated, due to an absence of large claims. This resulted in a reduced ultimate risk cost than what had been expected based on trends up to the valuation date. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

The above table shows the components of changes in claim liabilities. Claim liabilities include claims in process as well as provisions for the estimate of incurred but not reported claims and provisions for disputed claim obligations. Such estimates are computed using actuarial principles and assumptions that consider, among other things, contractual requirements, historical utilization trends and payment patterns, benefit changes, medical inflation, seasonality, membership, and other relevant factors.

Because claim liabilities include various actuarially developed estimates, the Company's actual medical costs and claims expense may be more or less than the Company's previously developed estimates. As a result of changes in estimates, the incurred claims for prior period insured events during 2024 and 2023 were on par with anticipated cost per service and development. Management believes the amount of claims liabilities is reasonable and adequate to cover the Company's liability for unpaid claims and for claims incurred but not yet reported as of December 31, 2024, and 2023.

(5) Premium Deficiency

The Company evaluates its healthcare contracts to determine if it is probable that a loss will be incurred. A premium deficiency loss is recognized when it is probable that expected future paid claims, administrative expenses, and reserves will exceed existing reserves plus anticipated future premiums on existing contracts. Anticipated investment income and overhead expenses are also considered in the calculation of premium deficiencies. In 2024 and 2023, it was determined that no premium deficiency reserve was necessary due to the actual results being closer to the expected scenario than the moderately adverse scenarios that were the basis for the reserve in previous years.

(6) Federal Income Taxes

The current provisions for incurred taxes on earnings for the years ended December 31 are as follows:

		2024	2023
Federal	$	3,052,563	1,176,024
Foreign		1,455,264	5,338,073
Federal and foreign income tax provision	$	4,507,827	6,514,097

A reconciliation of the federal income tax provision (other than capital gains) to the amount computed using the statutory federal income tax rate of 21% in 2024 and 2023 is as follows:

		2024	2023
Federal income taxes computed at the statutory rate	$	3,277,830	4,088,461
Change in nonadmitted assets		(28,814)	6,114
Other		1,154,924	2,623,060
Federal and foreign income taxes provisions	$	4,403,940	6,717,635
Federal income tax provisions (benefit)	$	4,507,827	6,514,097
Change in net deferred income taxes		(103,887)	203,538
Total statutory income taxes provisions	$	4,403,940	6,717,635

The components of net deferred tax assets and deferred tax liabilities recognized in the Company's statutory statements of admitted assets, liabilities, and capital and surplus at December 31, 2024 and 2023 are as follows:

		2024	2023
Total gross deferred tax assets	$	4,062,599	4,070,982
Adjusted gross deferred tax assets		4,062,599	4,070,982
Total deferred tax liabilities		(6,860)	(119,131)
Net deferred tax assets		4,055,739	3,951,851
Less: valuation allowance		—	—
Net admitted deferred tax assets	$	4,055,739	3,951,851
Increase (decrease) in admitted gross deferred tax assets	$	103,888	21,921

Deferred tax assets can only be admitted in an amount calculated under SSAP No. 101. The amount admitted is equal to the sum of (a) federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse by the end of the third subsequent calendar year plus, (b) the amount of adjusted deferred tax assets that are expected to be realized within three years of the balance sheet date after reduction by amounts that can be recovered through carrybacks and limited to 21% of adjusted statutory capital and surplus at December 31, 2024, and (c) the amount of adjusted gross deferred tax assets after application of (a) and (b) that can offset existing gross deferred tax liabilities.

The amount of admitted adjusted gross deferred tax assets admitted under each component of SSAP No. 101 as of December 31, 2024 and 2023 is as follows:

		2024	2023	Change
a. Federal income taxes paid in prior years recoverable through loss carryback	$	4,062,599	2,566,392	1,496,207
b. Adjusted gross deferred tax assets expected to be realized after application of threshold limitation		—	1,504,590	(1,504,590)
c. Adjusted gross deferred tax assets offset by deferred tax liabilities		—	—	—
	$	4,062,599	4,070,982	(8,383)

There are no temporary differences for which deferred tax liabilities are not recognized.

There are no tax planning strategies as of December 31, 2024 or 2023.

The amounts used in determination of admitted deferred tax assets in accordance with SSAP No. 101 are as follows:

Total adjusted capital (excluding DTA)	$	86,613,297
Authorized control level		6,527,088
Risk-based capital percentage		1326.98%

There was no valuation allowance recorded for deferred tax assets as of December 31, 2024 and 2023. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax assets, projected future taxable income, and tax planning strategies in making this assessment.

The net deferred tax asset at December 31, 2024 and 2023 and the change in deferred taxes comprise the following:

		December 31		
		2024	2023	Change
Total deferred tax assets net of valuation allowance	$	4,062,599	4,070,982	(8,383)
Total deferred tax liabilities		(6,860)	(119,131)	112,271
Net deferred tax asset	$	4,055,739	3,951,851	103,888

Deferred income taxes reflect the net tax effects of (a) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes and (b) operating loss and tax credit carryforwards. The tax effects of significant items comprising the

Company's net deferred tax asset (all of which are operating in nature) as of December 31, 2024 and 2023 are as follows:

		2024	2023
Deferred tax assets:			
Unearned premium reserves	$	3,276,987	3,382,153
Accrued expense and other		147,534	209,176
Other		638,078	479,653
Total deferred tax asset		4,062,599	4,070,982
Deferred tax liabilities			
Property and equipment		(6,860)	(119,131)
Net admitted deferred tax assets	$	4,055,739	3,951,851

The amount of federal income tax incurred that is available for recoupment in the event of future net losses for December 31, 2024 and 2023 is $3,114,061 and $1,714,680 respectively.

The Company files a federal and Florida income tax return. The Company is no longer subject to U.S. federal income tax examinations for years prior to 2018. Potential state of Florida tax examinations for those years are generally restricted to results that are based on closed U.S. federal income tax examinations.

The Company is not subject to Repatriation Transition Tax (RTT) or the Alternative Minimum Tax nor does it have any recoverable AMT Credit Carryforward.

The Company has no tax loss contingencies for which it would be reasonably possible that the total liability will significantly increase within the twelve months of the reporting date.

The Inflation Reduction Act, which created a new corporate alternative minimum tax (CAMT) effective for calendar year taxpayers January 1, 2023, was enacted on August 16, 2022. Based upon adjusted financial statement income for 2024, the Company has determined that average "adjusted financial statement income" is below the thresholds for the 2024 tax year such that it does not expect to be required to perform the CAMT calculations, nor be liable for any CAMT.

(7) **Reinsurance**

The effects of reinsurance as of and for the year ended December 31, 2024 were as follows:

	Accident and health contract/ life claims liability	Unearned health premium reserves	Premiums and annuity considerations written	Premiums and annuity considerations earned	Disability benefits and benefits under accident and health/ life contracts
Direct	$ 10,854,605	42,184,613	107,130,408	107,378,835	68,331,712
Assumed	11,174,744	32,777,103	97,318,773	96,999,654	71,020,274
Ceded	—	—	(543)	(543)	—
Total	$ 22,029,349	74,961,716	204,448,638	204,377,946	139,351,986

The effects of reinsurance as of and for the year ended December 31, 2023 were as follows:

	Accident and health contract/ life claims liability	Unearned health premium reserves	Premiums and annuity considerations written	Premiums and annuity considerations earned	Disability benefits and benefits under accident and health/ life contracts
Direct	$ 12,717,766	42,433,040	107,578,290	106,876,826	58,938,349
Assumed	12,577,366	32,457,985	98,440,965	96,836,246	75,044,338
Ceded	—	—	(2,605)	(2,605)	—
Total	$ 25,295,132	74,891,025	206,016,650	203,710,467	133,982,687

The Company entered into a new contract with Bupa Mexico effective October 1, 2023, where the company has an excess of loss coverage of 30% on claims above $200,000. The Excess of loss premium paid to the Company is $21.08 per member per month. This contract was terminated on October 1, 2024.

The Company also has a reinsurance agreement with Bupa DR, where the Company assumes 45% of the premiums and claims with an excess of loss coverage of 100% on claims above $30,000. Excess of loss premium paid to the Company by Bupa DR equals 0.5% of retained premiums. The Company pays a reinsurance commission of 37% on all of the premiums ceded, for reimbursement of expenses to Bupa DR.

The Company also has a reinsurance agreement with Bupa Guatemala, where the Company assumes 90.0% of the premiums and claims with an XOL coverage of 100% on claims above $80,000. Reinsurance commission paid to Bupa Guatemala is 40% of ceded premiums. Excess of loss premium paid to the Company equals 0.5% of retained premiums.

The Company has an excess of loss reinsurance agreement with Bupa Panama, to cover any losses greater than $100,000. Bupa Panama pays the Company $20 per member per month.

Additionally, the Company entered into a reinsurance agreement with BINS, a company under common ownership. Under this agreement, BINS cedes 100% of claims and premiums net of commissions related to their Latin America portfolio to the Company. In exchange, the Company reimburses 100% of the operating expenses BINS incurs related to this portfolio.

Effective January 1, 2024 the Company has an excess of loss reinsurance agreement with Bupa Ecuador to cover any losses over $40,000 for individual polices and $200,000 for corporate policies. Bupa Ecuador pays the Company $48 per member per month from January thru March, $120 per member per month from April thru May and $150 per member per month from June thru December on individual policies and $5.20 per member per month for corporate policies. Effective January 1, 2023 the Company has an excess of loss reinsurance agreement with Bupa Ecuador to cover any losses over $40,000 for individual polices and $200,000 for corporate policies. Bupa Ecuador pays the Company $90 per member per month on individual policies and $5.20 per member per month for corporate policies.

The Company had an excess of loss reinsurance agreement with Bupa Bolivia in 2023, to cover any losses greater than $20,000. Bupa Bolivia paid the Company $42.71 per member per month. This contract was terminated on May 31, 2024.

The Company has a reinsurance agreement with Lloyd’s Syndicate #2001, managed by Amlin Underwriting Limited (Amlin), where the Company assumes 85% of premiums, net of any commissions and fees paid by Amlin to Bupa Worldwide Corporation and to U.S.A. Medical Services Corporation, companies related through common ownership. The Company is liable for 85% of all losses. BIC pays a reinsurance commission of 4% on the net reinsurance premium.

The Company has a reinsurance agreement with Compañía de Seguros Bolivar S. A. (Seguros Bolivar), a company incorporated in Colombia, where the Company assumes 95% of premiums net of applicable tax and commissions. Under Colombian law, Seguros Bolivar must retain 20% of the ceded premium and may release it after a calendar year. Seguros Bolivar will recognize an interest rate of 1.5% over such deposit, subject to withholding tax of 15%. The Company will reimburse Seguros Bolivar 95% of all claims paid. Reinsurance commission paid by BIC on the joint venture agreement is 20% of the reinsurance premiums for individual business and 18% for Group business and 29% for the legacy agreement.

The Company has a reinsurance agreement with Alltrust Insurance Company a company incorporated in China, where the Company assumes 10% of premiums. The Company will reimburse Alltrust Insurance Company 10% of all claims paid. Reinsurance commission paid by BIC is 15% of the reinsurance premiums. This contract was terminated on December 31, 2023, with only runoff claims and premiums activity in 2024.

Effective March 1, 2023, the Company entered into a new reinsurance contract with Mapfre Peru Compañia de Seguros y Reaseguros S.A (Mapfre Peru), a company incorporated in Peru, with both quota share and excess of loss components. The quota shares has the Company assuming 70% of the risk, with a 30% commission. The excess of loss will cover claims over $150,000 and the premium is 2.8% of the 30% of the risk retained by Mapfre.

Effective June 6, 2023 , the Company entered into a new reinsurance contract with Mapfre Paraguay Compañia de Seguros S.A (Mapfre Paraguay), a company incorporated in Paraguay, with both quota share and excess of loss components. The quota shares has the Company assuming 90% of the risk, with a 35% commission. The excess of loss will cover claims over $50,000 and the premium is 2.8% of the 10% of the risk retained by Mapfre.

(8) Retirement Plan

The Company has a voluntary defined-contribution 401(k) profit-sharing plan (the Plan) in which eligible employees may participate. Employees are eligible to participate in the Plan upon the attainment of age 21 and completion of six months of service. Participants may elect to contribute up to $23,000 of their annual compensation, not to exceed amounts prescribed by statutory guidelines, for the year ended

December 31, 2024 and $22,500 for the year ended December 31, 2023. The Company's matching contribution is 7% of employee's salary. Contributions to the Plan were $22,007 and $24,895 for the years ended December 31, 2024 and 2023, respectively.

(9) **Managing General Agent**

Bupa Worldwide Corporation (BW) has the exclusive contract to serve as managing general agent to the Company. The Company is located at 18001 Old Cutler Road, Palmetto Bay, FL, 33157, with FEIN# 59-2729914. BW provides marketing, agent administration, and policy administration services. The type of authority granted by the Florida OIR is B (Binding Authority) and P (Premium Collection). Approximately $107.1 million and $107.6 million of direct premiums were written through BW, including accident and health, ordinary life, and term life, for the year ended December 31, 2024 and 2023, respectively. The Company paid BW administration fees, which the Company includes in commission expense, of $11,355,743 and $15,751,656 for these services in 2024 and 2023, respectively. Per the terms of the managing general agent agreement, BW must be paid for the administrative fee due on a monthly basis. The contract allows the Company to settle any current or future amounts payable, net of any future receivable balances. .

(10) **Transactions with Related Parties**

The Company has a third-party administration agreement with U.S.A. Medical Services Corporation (USAMS) and U.S.A. Medical Services DR (USADR) under which USAMS and USADR provide claims administration and medical referral services to the Company for a fee. The Company paid USAMS and USADR fees for these services of $3,123,159 and $3,555,570 in 2024 and 2023, respectively. These fees are recorded as hospital and medical benefits expense in the accompanying Statutory Statements of Income.

Effective January 1, 2022, an intercompany expense allocation agreement was placed in effect among the Company, Bupa Investment Corporation, Inc., Bupa Worldwide Corporation, Bupa U.S. Holdings, Inc., U.S.A. Medical Services Corporation (USAMS), Bupa Insurance Limited, Bupa Insurance Services, Ltd, Bupa Denmark Services A/S, Bupa Dominicana, S.A., Bupa Insurance (Bolivia) S.A., Bupa Panama, S.A., Bupa Guatemala Compania De Seguros, S.A., Bupa Mexico Compania De Seguros S.A. DE C.V., Bupa Servicios de Evaluacion Medica, s. de R.L. de C.V., Bupa Ecuador S.A., Compania De Seguros Y Reaseguros, Care Plus Medicina Assistencial Ltda., Amedex Insurance Company (Bermuda) LTD, Integramedica Peru S.A.C, MediPeru S.A., Anglolab S.A., Amedex Services LTD. and Bupa Servicios Panama, S.A. The agreement states that each paying party is authorized to pay for direct costs on behalf of one or more of the other party or parties in exchange for reimbursement for such payments from the respective purchasing party or parties. Payments shall be in the exact amount, including all applicable incurred taxes. The total payable included within payable to subsidiaries and affiliates at December 31, 2024 was $275,430. The total payable included within payable from subsidiaries and affiliates was $220,728 at December 31, 2023.

In November 2013, the Company signed sublease agreements with BW and USAMS to allocate the cost of a 10-year lease in an office building located in Palmetto Bay, Florida. On May 1, 2024 the Company amended the sublease agreement with BW and USAMS extending the lease for an additional 5.33 years. The amended agreement also reduced the square footage utilized by the companies, thus reducing the total rental income. The Company charges BW and USAMS for the portion of the space used. Total rental income is included as an offset to general administrative expenses and amounted to $1,101,683 in 2024 and $2,013,865 in 2023.

On February 13, 2013, the Company provided an unsecured loan to USAMS in the amount of $4,000,000, maturing on February 23, 2023. The loan bears interest, payable quarterly in arrears on the last business day of each calendar quarter, at a 3% rate per annum. The full amount of the loan was paid off on February 13, 2023. Interest income for the year ended December 31, 2023 amounted to $14,285.

(11) **Regulatory Matters**

The Company is subject to regulation by the Florida OIR. Florida insurance regulations require the Company to maintain not less than the greater of unimpaired paid-in surplus of $40.0 million, or 4%, of total liabilities, plus 6% of liabilities relative to health insurance. The Company is restricted by Florida insurance statutes as to the amount of dividends which can be paid. Dividends can only be paid out of available and accumulated surplus funds, which are derived from realized net operating profits and net realized capital gains. The maximum amount of dividend paid must be the lower of 10% of capital and surplus or 100% of the net operating profits and realized net capital gains derived during the immediate preceding calendar year. On December 11, 2024, a dividend was declared and paid in the amount of $11,000,000. During 2023 two dividends were declared, in the amount of $89,951,846 paid on April 28, 2023 and $10,000,000 paid on December 15, 2023. The Company cannot distribute dividends in 2025 without prior approval from the Florida OIR.

The Company is required to comply with NAIC risk-based capital (RBC) requirements. RBC is a method of measuring the amount of capital appropriate for an insurance company to support its overall business operations in light of its size and risk profile. NAIC RBC standards are used by regulators to determine appropriate regulatory actions relating to insurers who show signs of weak or deteriorating conditions. As of December 31, 2024 and 2023, based on calculations using appropriate NAIC formulas, the Company's total adjusted capital was in excess of ratios that would require any form of regulatory action.

(12) **Concentration of Premiums**

The distribution by country of accident and health premiums written by the Company is as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Mexico	14 %	15 %
Guatemala	14	13
Colombia	12	10
Venezuela	7	8
Ecuador	7	7
Others	46	47
Total	100 %	100 %

(13) **Commitments and Contingencies**

The Company is a party to various claims, legal actions, and complaints arising in the ordinary course of business. While any proceeding or litigation has an element of uncertainty, management believes that the disposition of these matters will not have a material impact on the statutory financial position, liquidity, or results of operations of the Company.

(14) **Leases**

In November 2013, the Company signed a lease agreement for a 10-year lease in an office building located in Palmetto Bay, Florida. Effective May 1, 2024 the Company extended the existing lease until August 31, 2029, as well reducing the office space to 17,817 rentable square feet.

Rental expense for these operating leases was $1,584,378 in 2024 and $1,832,860 in 2023.

Future minimum lease payments under non-cancellable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2024 are:

		Minimum lease payments
Year ending December 31:		
2025		674,819
2026		695,063
2027		715,915
2028		737,393
2029		501,330
Total minimum lease payments	$	3,324,520

In November 2013, the Company signed sublease agreements with BW and USAMS to allocate the cost of a 10-year lease in an office building located in Palmetto Bay, Florida, as stated in note 10 above. On May 1, 2024 the Company amended the sublease agreement with BW and USAMS extending the lease for an additional 5.33 years.

Future minimum sublease receipts under these leases as of December 31, 2024 are:

		BW minimum sublease receipts	USAMS minimum sublease receipts
Year ending December 31:			
2025	$	440,117	212,703
2026		453,320	219,084
2027		466,920	225,657
2028		480,928	232,426
2029		326,967	158,019
Total minimum sublease receipts	$	2,168,252	1,047,889

(15) **Subsequent Events**

The Company has evaluated subsequent events through May 27, 2025, the date at which the financial statements were available to be issued. The Company has determined that there are no other items to disclose.

SUPPLEMENTAL SCHEDULES

Schedule I

BUPA INSURANCE COMPANY

Schedule of Investment Risks Interrogatories

December 31, 2024

1. The Company's total admitted assets as reported in the statutory statement of admitted assets, liabilities, and capital and surplus at December 31, 2024 were: $ 203,188,723

2. The largest exposures to a single issue/borrower/investment, by investment category, excluding: (i) U.S. government, U.S. government agency securities, and those U.S. government money market funds listed in the Appendix to the *SVO Purposes and Procedures Manual* as exempt, (ii) property occupied by the Company, and (iii) policy loans at December 31, 2024 are as follows:

Issuer	Description of exposure	Amount	Percentage of total admitted assets
Fifth Third Bank	Cash	12,744,357	6 %
MUFG Bank Ltd.	Cash	12,000,000	6
Apple Inc	Bonds	9,897,524	5
Wells Fargo	Cash	9,869,807	5
Bank of Nova Scotia	Bonds	9,012,889	4
US Bank N.A.	Bonds	7,487,408	4
Merck & Co Inc.	Bonds	3,989,676	2
Bank of New York Mellon Corp.	Bonds	3,957,359	2
Intel Corp.	Bonds	3,472,367	2
Toronto Dominion Bank	Bonds	3,196,857	2

3. The amount and percentage of the Company's total admitted assets held in bonds by NAIC rating are as follows:

Bonds	Amount	Percentage
NAIC-1	$ 120,363,274	59 %
NAIC-2	$ 3,472,367	2 %

4. The largest exposures to foreign investments are as follows:

Issuer	Investment category	Amount	Percentage of total admitted assets
		$ —	— %

5. Aggregate foreign investment exposure by NAIC sovereign designation:

NAIC Designation	Amount	Percentage
Countries designated NAIC – 1	$ —	— %
Countries designated NAIC – 2	—	— %
Countries designated NAIC – 3 or below	—	— %

6. The largest foreign investment by country, categorized by country's NAIC sovereign designation:

Country Designated NAIC	Amount	Percentage
	$ —	— %

7. N/A

8. N/A

9. N/A

10. N/A

11. There were no assets held in Canadian investments that exceeded 2.5% of total admitted assets.

12. There were no assets held in investments with contractual sales restrictions.

BUPA INSURANCE COMPANY

Schedule of Investment Risks Interrogatories

December 31, 2024

13. The largest exposure to equity interests is as follows:

Issuer	Amount	Percentage of total admitted assets
	$ —	— %

14. There were no privately placed equities.
15. There were no assets held in general partnership interests.
16. There were no assets held in mortgage loans that exceeded 2.5% of total admitted assets.
17. N/A
18. There were no assets held in real estate.
19. There were no admitted assets held in mezzanine real estate loans.
20. There were no admitted assets subject to securities lending, repurchase, reserve repurchase, dollar repurchase, or dollar reserve repurchase.
21. There were no warrants.
22. There was no exposure for collars, swaps, or forwards.
23. There was no exposure for future contracts.
24. There were no write-ins for invested assets category included on the summary investment schedule in the annual statement.

Refer to Section 2 of Appendix A-001 to the NAIC *Accounting Practices and Procedures Manual.*

Schedule II

BUPA INSURANCE COMPANY

Supplemental Summary Investment Schedule

December 31, 2024

	Gross investment holdings	Percentage	Admitted assets	Percentage
Bonds:				
U.S. Treasury securities	$ 87,312,433	51.9 %	$ 87,312,433	51.9 %
U.S. government agency and corporate obligations (excluding mortgage-backed securities (MBS))	—	— %	—	— %
Securities issued by states, territories, and possessions and political subdivisions in the United States:				
States, territories, and possessions general obligations	—	— %	—	— %
Political subdivision of states, territories, and possessions and political subdivisions general obligations	—	— %	—	— %
Collateralized mortgage obligation and real estate mortgage investment conduits:				
Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC	—	— %	—	— %
Other debt and other fixed-income securities (excluding short term)	36,523,208	21.7 %	36,523,208	21.7 %
Unaffiliated certificate of deposits	—	— %	—	— %
Equity interests:				
Investment in mutual funds	—	— %	—	— %
Preferred stocks:				
Unaffiliated	—	— %	—	— %
Publicly traded equity securities (excluding preferred stocks):				
Unaffiliated	—	— %	—	— %
Other equity securities:				
Affiliated	—	— %	—	— %
Contract loans	15,735	0.01 %	15,735	0.01 %
Receivables for securities	—	— %	—	— %
Cash, cash equivalents, and short-term investments	44,293,443	26.4 %	44,293,443	26.4 %
Other invested assets	—	— %	—	— %
Total invested assets	$ 168,144,819	100 %	$ 168,144,819	100 %