

May 30, 2024

Hon. Karima M. Woods  
Commissioner  
Department of Insurance, Securities and Banking  
1050 First Street, NE 801  
Washington, DC 20002  
[karima.woods@dc.gov](mailto:karima.woods@dc.gov)

Dear Commissioner Woods:

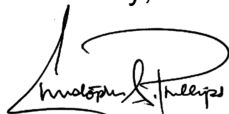
I write on behalf of Group Hospitalization and Medical Services, Inc. ("GHMSI") to report GHMSI's surplus at year-end 2023, pursuant to 26A DCMR 4601.1. GHMSI's year-end 2023 surplus was \$1,762M or 904% risk-based capital - authorized control level ("RBC").

In 2023, GHMSI obtained a complete actuarial surplus analysis from Oliver Wyman. A copy of Oliver Wyman's Report dated November 28, 2023 is attached hereto as Exhibit 1. For the period of 2024 through 2026, Oliver Wyman recommends that GHMSI should maintain an optimal surplus range of 750% RBC to 1,050% RBC. This is lower than the 800% RBC to 1,100% RBC recommended by Milliman for the period of 2021 to 2023.

The GHMSI Board reviewed the Oliver Wyman analysis and, on December 12, 2023, the GHMSI Board approved and adopted the recommended surplus target range of 750% to 1,050% RBC for the period of 2024 through 2026. The GHMSI Board monitors the surplus levels of the Company and reviews the target ranges and estimated surplus levels as part of its annual planning.

Please let me know if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher Phillips". The signature is fluid and cursive, with a large initial "C" and "P".

Christopher Phillips  
Interim Chief Financial Officer

cc: Philip Barlow, [philip.barlow@dc.gov](mailto:philip.barlow@dc.gov)