Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-5975

HUMANA INC.

(Exact name of registrant as specified in its charter)

Delaware	**61-0647538**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

101 East Main Street
Louisville, Kentucky 40202
(Address of principal executive offices, including zip code)

(502) 580-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, $0.16 2/3 par value	HUM	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class of Common Stock	**Outstanding at September 30, 2026**
$0.16 2/3 par value	120,103,250 shares

Humana Inc.
FORM 10-Q
SEPTEMBER 30, 2026

INDEX

		Page
	Part I: Financial Information	
Item 1.	Financial Statements	
	Condensed Consolidated Balance Sheets (Unaudited) at September 30, 2026 and December 31, 2025	3
	Condensed Consolidated Statements of Income (Unaudited) for the three and nine months ended September 30, 2026 and 2025	4
	Condensed Consolidated Statements of Comprehensive Income (Unaudited) for the three and nine months ended September 30, 2026 and 2025	5
	Condensed Consolidated Statements of Stockholders' Equity (Unaudited) for the three and nine months ended September 30, 2026 and 2025	6
	Condensed Consolidated Statements of Cash Flows (Unaudited) for the nine months ended September 30, 2026 and 2025	8
	Notes to Condensed Consolidated Financial Statements (Unaudited)	10
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	36
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	53
Item 4.	Controls and Procedures	53
	Part II: Other Information	
Item 1.	Legal Proceedings	54
Item 1A.	Risk Factors	54
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	54
Item 3.	Defaults Upon Senior Securities	54
Item 4.	Mine Safety Disclosures	54
Item 5.	Other Information	55
Item 6.	Exhibits	56
	Signatures	57
	Certifications	

Humana Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2026	December 31, 2025
	(in millions, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,935	$ 4,200
Investment securities	18,174	15,703
Receivables, net of allowances of $96 in 2026 and $108 in 2025	2,865	3,270
Other current assets	11,635	9,560
Total current assets	39,609	32,733
Property and equipment, net	2,070	2,231
Long-term investment securities	606	493
Equity method investments	621	638
Goodwill	10,547	9,686
Other long-term assets	3,832	3,128
Total assets	$ 57,285	$ 48,909
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Benefits payable	$ 13,127	$ 9,967
Trade accounts payable and accrued expenses	9,390	5,717
Book overdraft	316	306
Unearned revenues	270	356
Short-term debt	949	—
Total current liabilities	24,052	16,346
Long-term debt	11,555	12,369
Other long-term liabilities	2,790	2,457
Total liabilities	38,397	31,172
Commitments and Contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, $1 par; 10,000,000 shares authorized; none issued	—	—
Common stock, $0.16 2/3 par; 300,000,000 shares authorized; 198,719,832 shares issued at September 30, 2026 and 198,719,321 shares issued at December 31, 2025	33	33
Capital in excess of par value	3,774	3,600
Retained earnings	30,796	29,075
Accumulated other comprehensive loss	(1,270)	(633)
Treasury stock, at cost, 78,616,582 shares at September 30, 2026 and 78,128,009 shares at December 31, 2025	(14,508)	(14,418)
Total stockholders' equity	18,825	17,657
Noncontrolling interests	63	80
Total equity	18,888	17,737
Total liabilities and equity	$ 57,285	$ 48,909

See accompanying notes to condensed consolidated financial statements.

Humana Inc.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in millions, except per share results)			
Revenues:				
Premiums	$ 38,701	$ 30,711	$ 115,244	$ 91,941
Services	2,125	1,600	5,582	4,334
Net investment income	329	338	844	874
Total revenues	41,155	32,649	121,670	97,149
Operating expenses:				
Benefits	36,324	27,991	105,401	82,091
Operating costs	4,598	4,085	12,600	11,012
Depreciation and amortization	158	173	480	534
Total operating expenses	41,080	32,249	118,481	93,637
Income from operations	75	400	3,189	3,512
Loss on sale of business	—	63	—	63
Interest expense	217	168	607	485
Other (income) expense, net	(358)	35	(181)	398
Income before income taxes and equity in net losses	216	134	2,763	2,566
Provision (benefit) for income taxes	40	(86)	673	499
Equity in net losses	(15)	(26)	(52)	(88)
Net income	$ 161	$ 194	$ 2,038	$ 1,979
Net loss attributable to noncontrolling interests	1	1	4	5
Net income attributable to Humana	$ 162	$ 195	$ 2,042	$ 1,984
Basic earnings per common share	$ 1.35	$ 1.62	$ 16.99	$ 16.47
Diluted earnings per common share	$ 1.33	$ 1.62	$ 16.84	$ 16.43

See accompanying notes to condensed consolidated financial statements.

Humana Inc.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Net income attributable to Humana	$ 162	$ 195	$ 2,042	$ 1,984
Other comprehensive (loss) income:				
Change in gross unrealized investment (losses) gains	(676)	195	(832)	570
Effect of income taxes	157	(45)	192	(130)
Total change in unrealized investment (losses) gains, net of tax	(519)	150	(640)	440
Reclassification adjustment for net realized (losses) gains	—	(44)	4	(51)
Effect of income taxes	—	11	(1)	12
Total reclassification adjustment, net of tax	—	(33)	3	(39)
Other comprehensive (loss) income, net of tax	(519)	117	(637)	401
Comprehensive (loss) income attributable to Humana	$ (357)	$ 312	$ 1,405	$ 2,385

See accompanying notes to condensed consolidated financial statements.

Humana Inc.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Capital In Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Issued Shares	Amount							
	(dollars in millions, share amounts in thousands)								
Three months ended September 30, 2026									
Balances, June 30, 2026	198,720	$ 33	$ 3,701	$ 30,741	$ (751)	$ (14,511)	$ 19,213	$ 64	$ 19,277
Net income				162			162	(1)	161
Other comprehensive loss					(519)		(519)		(519)
Common stock repurchases			—			(2)	(2)		(2)
Dividends and dividend equivalents			—	(107)			(107)		(107)
Stock-based compensation			67				67		67
Restricted stock unit vesting	—	—	(3)			3	—		—
Stock option exercises	—	—	9			2	11		11
Balances, September 30, 2026	198,720	$ 33	$ 3,774	$ 30,796	$ (1,270)	$ (14,508)	$ 18,825	$ 63	$ 18,888
Three months ended September 30, 2025									
Balances, June 30, 2025	198,719	$ 33	$ 3,557	$ 29,891	$ (783)	$ (14,464)	$ 18,234	$ 61	$ 18,295
Net income				195			195	(1)	194
Distribution to noncontrolling interest holders, net							—	—	—
Other comprehensive income					117		117		117
Common stock repurchases			—			(1)	(1)		(1)
Dividends and dividend equivalents			—	(106)			(106)		(106)
Stock-based compensation			83				83		83
Restricted stock unit vesting	—	—	(1)			1	—		—
Balances, September 30, 2025	198,719	$ 33	$ 3,639	$ 29,980	$ (666)	$ (14,464)	$ 18,522	$ 60	$ 18,582

See accompanying notes to condensed consolidated financial statements.

Humana Inc.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY—(Continued)
(Unaudited)

	Common Stock		Capital In Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Issued Shares	Amount							
	(dollars in millions, share amounts in thousands)								
Nine months ended September 30, 2026									
Balances, December 31, 2025	198,719	$ 33	$ 3,600	$ 29,075	$ (633)	$ (14,418)	$ 17,657	$ 80	$ 17,737
Net income				2,042			2,042	(4)	2,038
Distribution to noncontrolling interest holders, net							—	(13)	(13)
Other comprehensive loss					(637)		(637)		(637)
Common stock repurchases			—			(110)	(110)		(110)
Dividends and dividend equivalents			—	(321)			(321)		(321)
Stock-based compensation			183				183		183
Restricted stock unit vesting	1	—	(15)			15	—		—
Stock option exercises	—	—	6			5	11		11
Balances, September 30, 2026	198,720	$ 33	$ 3,774	$ 30,796	$ (1,270)	$ (14,508)	$ 18,825	$ 63	$ 18,888
Nine months ended September 30, 2025									
Balances, December 31, 2024	198,719	$ 33	$ 3,463	$ 28,317	$ (1,067)	$ (14,371)	$ 16,375	$ 70	$ 16,445
Net income				1,984			1,984	(5)	1,979
Distribution to noncontrolling interest holders, net							—	(5)	(5)
Other comprehensive income					401		401		401
Common stock repurchases			—			(110)	(110)		(110)
Dividends and dividend equivalents			—	(321)			(321)		(321)
Stock-based compensation			193				193		193
Restricted stock unit vesting	—	—	(17)			17	—		—
Balances, September 30, 2025	198,719	$ 33	$ 3,639	$ 29,980	$ (666)	$ (14,464)	$ 18,522	$ 60	$ 18,582

See accompanying notes to condensed consolidated financial statements.

Humana Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the nine months ended September 30,	
	2026	**2025**
	(in millions)	
Cash flows from operating activities		
Net income	$ 2,038	$ 1,979
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on sale of business	—	63
Losses (gains) on investment securities, net	30	(66)
Equity in net losses	52	88
Stock-based compensation	183	193
Depreciation	540	587
Amortization	29	43
Impairment of property and equipment	34	14
Impairment of indefinite-lived intangible assets	—	32
Changes in operating assets and liabilities, net of effect of businesses acquired and dispositions:		
Receivables	439	16
Other assets	(1,274)	(1,374)
Benefits payable	3,160	(351)
Other liabilities	221	1,317
Unearned revenues	(86)	5
Other, net	17	27
Net cash provided by operating activities	5,383	2,573
Cash flows from investing activities		
Proceeds from sale of business, net	40	115
Acquisitions, net of cash acquired	(1,007)	(5)
Purchases of property and equipment, net	(390)	(344)
Purchases of investment securities	(7,070)	(5,198)
Proceeds from maturities of investment securities	2,296	2,148
Proceeds from sales of investment securities	1,415	5,066
Changes in securities lending collateral receivable	(179)	(141)
Net cash (used in) provided by investing activities	(4,895)	1,641
Cash flows from financing activities		
Receipts (payments) from contract deposits, net	1,787	(1,164)
Proceeds from issuance of notes, net	990	1,481
Repayments of notes	(281)	(771)
Repayments of commercial paper, net	(30)	(5)
FHLB advances	100	—
Debt issue costs	(20)	(5)
Change in book overdraft	10	(95)
Common stock repurchases	(110)	(109)
Dividends paid	(320)	(321)
Changes in securities lending payable	179	141
Changes in rebate factor payable	—	(123)
Other, net	(58)	(76)
Net cash provided by (used in) financing activities	2,247	(1,047)
Increase in cash and cash equivalents	2,735	3,167
Cash and cash equivalents at beginning of period	4,200	2,221
Cash and cash equivalents at end of period	$ 6,935	$ 5,388

See accompanying notes to condensed consolidated financial statements.

Humana Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
(Unaudited)

	For the nine months ended September 30,	
	2026	2025
	(in millions)	
Supplemental cash flow disclosures:		
Interest payments	$ 484	$ 440
Details of businesses acquired in purchase transactions:		
Fair value of assets acquired, net of cash acquired	$ 1,151	$ 6
Less: Fair value of liabilities assumed	(144)	(1)
Cash paid for acquired businesses, net of cash acquired	$ 1,007	$ 5

See accompanying notes to condensed consolidated financial statements.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION AND SIGNIFICANT EVENTS

The accompanying unaudited condensed consolidated financial statements are presented in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures normally required by accounting principles generally accepted in the United States of America, or GAAP, or those normally made in an Annual Report on Form 10-K. The year-end condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by GAAP. This Form 10-Q should be read in conjunction with our audited Consolidated Financial Statements and Notes as of and for the year ended December 31, 2025 included in our 2025 Annual Report on Form 10-K that was filed with the Securities and Exchange Commission, or the SEC, on February 19, 2026. We refer to this Form 10-K as the "2025 Form 10-K" in this document. References throughout this document to "we," "us," "our," "Company," and "Humana" mean Humana Inc. and its subsidiaries.

The preparation of our condensed consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and accompanying notes. The areas involving the most significant use of estimates are the estimation of benefits payable, the impact of risk adjustment provisions related to our Medicare contracts, the valuation and related impairment recognition of investment securities, and the valuation and related impairment recognition of long-lived assets, including goodwill and indefinite-lived intangible assets. These estimates are based on knowledge of current events and anticipated future events, and accordingly, actual results may ultimately differ materially from those estimates. For additional information regarding accounting policies considered in preparing our consolidated financial statements, refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

The financial information has been prepared in accordance with our customary accounting practices and has not been audited. In our opinion, the information presented reflects all adjustments necessary for a fair statement of interim results. All such adjustments are of a normal and recurring nature.

MaxHealth Acquisition

On February 13, 2026, we acquired MaxHealth, a Florida-based primary care organization, for cash consideration of approximately $908 million, net of cash acquired. For additional information regarding acquisitions, refer to Note 3 to the unaudited Condensed Consolidated Financial Statements included in Part I, Item 1, "Financial Statements" of this Form 10-Q.

Value Creation Initiatives and Impairment Charges

In order to create capacity to fund growth in our businesses, we committed to drive additional value for the enterprise through cost saving and productivity initiatives. In addition, in response to sustained macroeconomic, regulatory and competitive pressures impacting the industry, we initiated a substantial multi-year transformation program designed to re-align our cost structure, operating model and technology footprint with evolving market conditions.

As a result of these initiatives, we recorded charges of $25 million and $179 million for the three and nine months ended September 30, 2026, respectively, and $267 million and $320 million for the three and nine months ended September 30, 2025, respectively, within operating costs in the consolidated statements of income. The charges primarily relate to severance and associate exit costs, asset impairments and external consulting expenses incurred to execute the program. We expect to incur additional charges over the course of the program.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

In addition, we recorded impairment charges related to minority-interest investments of $3 million and $24 million within net investment income in our condensed consolidated statements of income for the three and nine months ended September 30, 2026, respectively, and $32 million relating to indefinite-lived intangible assets, within operating costs in our condensed consolidated statements of income for the nine months ended September 30, 2025.

Revenue Recognition

Our revenues include premiums and services revenue. Services revenue includes administrative service fees that are recorded based upon established per member per month rates and the number of members for the month and are recognized as services are provided for the month. Additionally, services revenue includes net patient services revenue that is recorded based upon established billing rates, less allowances for contractual adjustments, and is recognized as services are provided. For additional information regarding our revenues, refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K. For additional information regarding disaggregation of revenue by segment and type, refer to Note 14 to the unaudited Condensed Consolidated Financial Statements included in Part I, Item 1, "Financial Statements" of this Form 10-Q.

Administrative Service Fees

Effective July 1, 2026, we began serving as the central processor for the Medicare GLP-1 Bridge (the Program), a time-limited CMS demonstration that provides eligible Medicare Part D beneficiaries access to certain GLP-1 medications for weight management outside of the Medicare Part D benefit coverage and payment flow. Under the Program, we administer prior authorizations, process claims, facilitate payments to dispensing pharmacies, invoice participating manufacturers, and perform related reconciliation and reporting activities. CMS bears the underlying drug-cost risk, and we do not assume insurance risk for the related claims. Accordingly, CMS funding and CMS-funded claims are accounted for as contract deposits in our condensed consolidated balance sheets and are not recognized as revenues or expenses in our condensed consolidated statements of income. Manufacturer rebate receivables attributable to CMS are recorded separately, with corresponding amounts reflected in the Due to CMS settlement liability. As of September 30, 2026, other current assets included $0.7 billion of manufacturer rebate receivables related to the Program, and trade accounts payable and accrued expenses included $2.7 billion related to the Due to CMS settlement liability in our condensed consolidated balance sheets. Related cash receipts and payments are presented within Receipts (payments) from contract deposits, net in financing activities in our condensed consolidated statements of cash flows. During both the three and nine months ended September 30, 2026, net receipts from contract deposits related to the Program were $2.0 billion.

At September 30, 2026, accounts receivable related to services were $269 million. For the three and nine months ended September 30, 2026, we had no material bad-debt expense and there were no material contract assets, contract liabilities or deferred contract costs recorded on the condensed consolidated balance sheet.

For the three and nine months ended September 30, 2026, services revenue recognized from performance obligations related to prior periods, such as due to changes in transaction price, was not material. Further, services revenue expected to be recognized in any future year related to remaining performance obligations was not material.

Other Current Assets

At September 30, 2026 and December 31, 2025, included within other current assets on our condensed consolidated balance sheets, were pharmaceutical rebate receivables of $2.4 billion and $1.9 billion, respectively.

Trade Accounts Payable and Accrued Expenses

At September 30, 2026 and December 31, 2025, included within trade accounts payable and accrued expenses on our condensed consolidated balance sheets, were trade accounts payable of $1.7 billion and $1.8 billion, respectively.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Reinsurance

During 2025 and 2026, we entered into agreements with unrelated insurers that do not qualify for reinsurance accounting under GAAP, and are accounted for using deposit accounting. These contracts minimize the risk of catastrophic loss, reducing capital and surplus requirements. Total deposit assets and liabilities related to these reinsurance agreements that do not qualify for reinsurance accounting under GAAP were not material at September 30, 2026.

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Accounting Pronouncements Effective in Future Periods

In November 2024, the FASB issued Accounting Standards Update No. 2024-03 — Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The new guidance requires significant additional disclosures disaggregating certain costs and expenses including purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The new guidance requires prospective application (with retrospective application permitted). The new guidance will be effective for us beginning with our annual 2027 year-end financial statements, with early adoption permitted. We are currently evaluating the impact on our disclosures.

In September 2025, The FASB issued Accounting Standards Update No. 2025-06 — Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The new guidance modernizes consideration of different methods of software development, updating the requirements for capitalization of software costs. The new guidance requires prospective application (with retrospective application permitted). The new guidance will be effective for us beginning with our interim 2028 financial statements, with early adoption permitted. We are currently evaluating the impact on our consolidated results of operations, financial position, and cash flows.

There are no other recently issued accounting pronouncements that apply to us or that are expected to have a material impact on our results of operations, financial condition, or cash flows.

3. ACQUISITIONS AND DIVESTITURES

On February 13, 2026, we acquired MaxHealth, a leading primary care platform focused on providing high-quality, integrated care to adults and senior patients throughout Florida, for cash consideration of approximately $908 million, net of cash acquired. This resulted in a preliminary purchase price allocation to goodwill of approximately $800 million, other intangible assets of $71 million, and net tangible assets acquired of $59 million. The other intangible assets, which primarily consist of member relationships and trade names, have an estimated weighted average useful life of 6.9 years. The purchase price allocation is preliminary, subject to completion of valuation analysis.

During 2026 and 2025, we acquired and disposed other health and wellness related businesses that, individually or in the aggregate, have not had a material impact on our results of operations, financial condition, or cash flows. The results of operations and financial condition of these businesses acquired have been included in our condensed consolidated statements of income and condensed consolidated balance sheets from the respective acquisition dates. Acquisition related costs recognized in 2026 and 2025 were not material to our results of operations. For asset acquisitions, the goodwill acquired is partially amortizable as deductible expenses for tax purposes. The pro forma financial information assuming the acquisitions had occurred as of the beginning of the calendar year prior to the year of acquisition, as well as the revenues and earnings generated during the quarter of acquisition, was not material for disclosure purposes.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

4. INVESTMENT SECURITIES

Investment securities classified as current and long-term were as follows at September 30, 2026 and December 31, 2025, respectively:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in millions)			
September 30, 2026				
U.S. Treasury and other U.S. government corporations and agencies:				
U.S. Treasury and agency obligations	$ 2,888	$ —	$ (140)	$ 2,748
Mortgage-backed securities	4,884	—	(615)	4,269
Tax-exempt municipal securities	384	—	(24)	360
Mortgage-backed securities:				
Residential	457	—	(61)	396
Commercial	1,191	—	(64)	1,127
Asset-backed securities	1,293	—	(29)	1,264
Corporate debt securities	9,332	1	(717)	8,616
Total debt securities	$ 20,429	$ 1	$ (1,650)	$ 18,780
December 31, 2025				
U.S. Treasury and other U.S. government corporations and agencies:				
U.S. Treasury and agency obligations	$ 2,314	$ 3	$ (39)	$ 2,278
Mortgage-backed securities	3,980	7	(336)	3,651
Tax-exempt municipal securities	442	—	(14)	428
Mortgage-backed securities:				
Residential	434	—	(46)	388
Commercial	1,058	1	(47)	1,012
Asset-backed securities	791	4	(12)	783
Corporate debt securities	7,998	31	(373)	7,656
Total debt securities	$ 17,017	$ 46	$ (867)	$ 16,196

During the quarter ended June 30, 2026, we disposed of our corporate debt securities of Gentiva Hospice and recognized an immaterial gain.

We participate in a securities lending program where we loan certain investment securities for short periods of time in exchange for collateral, consisting of cash or U.S. Government securities, initially equal to at least 102% of the fair value of the investment securities on loan. Collateral with a fair value of $818 million and $638 million was held at September 30, 2026 and December 31, 2025, respectively. At September 30, 2026 and December 31, 2025, collateral from lending our investment securities was reinvested in short-term, highly liquid assets. In addition, we participated in non-cash securities lending with a fair value of $244 million and $193 million at September 30, 2026 and December 31, 2025, respectively.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Gross unrealized losses and fair values aggregated by investment category and length of time of individual debt securities that have been in a continuous unrealized loss position for which no allowances for credit losses has been recorded were as follows at September 30, 2026 and December 31, 2025, respectively:

	Less than 12 months		12 months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(in millions)					
September 30, 2026						
U.S. Treasury and other U.S. government corporations and agencies:						
U.S. Treasury and agency obligations	$ 2,117	$ (82)	$ 627	$ (58)	$ 2,744	$ (140)
Mortgage-backed securities	2,534	(166)	1,732	(449)	4,266	(615)
Tax-exempt municipal securities	133	(5)	214	(19)	347	(24)
Mortgage-backed securities:						
Residential	112	(3)	281	(58)	393	(61)
Commercial	412	(11)	645	(53)	1,057	(64)
Asset-backed securities	827	(12)	195	(17)	1,022	(29)
Corporate debt securities	5,320	(255)	3,028	(462)	8,348	(717)
Total debt securities	$ 11,455	$ (534)	$ 6,722	$ (1,116)	$ 18,177	$ (1,650)
December 31, 2025						
U.S. Treasury and other U.S. government corporations and agencies:						
U.S. Treasury and agency obligations	$ 643	$ (7)	$ 857	$ (32)	$ 1,500	$ (39)
Mortgage-backed securities	593	(3)	2,373	(333)	2,966	(336)
Tax-exempt municipal securities	51	—	347	(14)	398	(14)
Mortgage-backed securities:						
Residential	10	—	321	(46)	331	(46)
Commercial	77	—	794	(47)	871	(47)
Asset-backed securities	85	—	263	(12)	348	(12)
Corporate debt securities	872	(6)	3,785	(367)	4,657	(373)
Total debt securities	$ 2,331	$ (16)	$ 8,740	$ (851)	$ 11,071	$ (867)

Approximately 97% of our debt securities were investment-grade quality, with a weighted average credit rating of AA- by Standard & Poor's Rating Service, or S&P, at September 30, 2026. Our remaining debt securities below investment-grade were primarily rated BB-. Tax-exempt municipal securities were diversified among general obligation bonds of states and local municipalities in the United States as well as special revenue bonds issued by municipalities to finance specific public works projects such as utilities, water and sewer, transportation, or education. Our general obligation bonds are diversified across the United States with no individual state exceeding approximately 1% of our total debt securities. Our investment policy limits investments in a single issuer and requires diversification among various asset types.

Our unrealized losses from all debt securities were generated from approximately 2,935 positions out of a total of approximately 3,250 positions at September 30, 2026. All issuers of debt securities we own that were trading at an unrealized loss at September 30, 2026 remain current on all contractual payments. After taking into account these and other factors previously described, we believe these unrealized losses primarily were caused by an increase in market interest rates in the current markets since the time these debt securities were purchased. At September 30,

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

2026, we did not intend to sell any debt securities with an unrealized loss position in accumulated other comprehensive income, and it is not likely that we will be required to sell these debt securities before recovery of their amortized cost basis. Additionally, we did not record any material credit allowances for debt securities that were in an unrealized loss position for the three and nine months ended September 30, 2026 or 2025.

The detail of gains (losses) related to investment securities and included within net investment income was as follows for the three and nine months ended September 30, 2026 and 2025:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in millions)		(in millions)	
Gross gains on investment securities	$ —	$ 54	$ 10	$ 72
Gross losses on investment securities	(4)	(1)	(40)	(6)
Net recognized (losses) gains on investment securities	$ (4)	$ 53	$ (30)	$ 66

The contractual maturities of debt securities available for sale at September 30, 2026, regardless of their balance sheet classification, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
	(in millions)	
Due within one year	$ 1,390	$ 1,381
Due after one year through five years	5,529	5,265
Due after five years through ten years	4,428	4,095
Due after ten years	1,257	983
Mortgage and asset-backed securities	7,825	7,056
Total debt securities	$ 20,429	$ 18,780

For additional information regarding our investment securities, refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

5. FAIR VALUE

Financial Assets

The following table summarizes our fair value measurements at September 30, 2026 and December 31, 2025, respectively, for financial assets measured at fair value on a recurring basis:

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
	(in millions)			
September 30, 2026				
Cash equivalents	$ 6,477	$ 6,477	$ —	$ —
Debt securities:				
U.S. Treasury and other U.S. government corporations and agencies:				
U.S. Treasury and agency obligations	2,748	149	2,599	
Mortgage-backed securities	4,269	—	4,269	
Tax-exempt municipal securities	360	—	360	
Mortgage-backed securities:				
Residential	396	—	392	4
Commercial	1,127	—	1,120	7
Asset-backed securities	1,264	—	1,046	218
Corporate debt securities	8,616	—	8,317	299
Total debt securities	18,780	149	18,103	528
Securities lending invested collateral	818	818	—	—
Total invested assets	$ 26,075	$ 7,444	$ 18,103	$ 528
December 31, 2025				
Cash equivalents	$ 3,945	$ 3,945	$ —	$ —
Debt securities:				
U.S. Treasury and other U.S. government corporations and agencies:				
U.S. Treasury and agency obligations	2,278	—	2,278	—
Mortgage-backed securities	3,651	—	3,651	—
Tax-exempt municipal securities	428	—	428	—
Mortgage-backed securities:				
Residential	388	—	388	—
Commercial	1,012	—	996	16
Asset-backed securities	783	—	656	127
Corporate debt securities	7,656	—	7,359	297
Total debt securities	16,196	—	15,756	440
Securities lending invested collateral	638	638	—	—
Total invested assets	$ 20,779	$ 4,583	$ 15,756	$ 440

Our Level 3 assets had a fair value of $528 million, or 2.0% of total invested assets, and $440 million, or 2.1% of total invested assets, at September 30, 2026 and December 31, 2025, respectively. During the nine months ended

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

September 30, 2026 and 2025, the changes in the fair value of the assets measured using significant unobservable inputs (Level 3) were comprised of the following:

	For the nine months ended September 30, 2026				For the nine months ended September 30, 2025			
	Mortgage-backed securities	Asset-backed securities	Corporate debt securities	Total	Mortgage-backed securities	Asset-backed securities	Corporate debt securities	Total
	(in millions)							
Beginning balance at January 1	$ 16	$ 127	$ 297	$ 440	$ 7	$ 73	$ 242	$ 322
Total gains or losses:								
Realized in earnings	—	—	1	1	—	—	—	—
Unrealized in other comprehensive income	—	(2)	(11)	(13)	1	1	8	10
Purchases	4	111	96	211	9	15	57	81
Maturities	—	—	(31)	(31)	—	—	(2)	(2)
Sales	—	—	(66)	(66)	—	—	—	—
Settlements	(9)	(4)	(1)	(14)	—	—	(1)	(1)
Transfers out	—	(14)	—	(14)	—	—	—	—
Transfers in	—	—	14	14	—	—	—	—
Balance at September 30	$ 11	$ 218	$ 299	$ 528	$ 17	$ 89	$ 304	$ 410

Interest-Rate Swaps

We have entered into interest-rate swap agreements with major financial institutions to convert our interest-rate exposure on some of our senior notes payable from fixed rates to variable rates, based on the Secured Overnight Financing Rate (SOFR), to align interest costs more closely with floating interest rates received on our cash equivalents and investment securities. These swap agreements were qualified and designated as a fair value hedge. Our interest-rate swaps are recognized in other assets or other liabilities, as appropriate, in our condensed consolidated balance sheets at fair value as of the reporting date. Our interest-rate swaps are highly effective at reflecting the fair value of our hedged fixed rate senior notes payable. We utilize market-based financing rates, forward yield curves and discount rates in determining fair value of these swaps at each reporting date, a Level 2 measure within the fair value hierarchy. The cumulative, aggregate decrease to the carrying value of the senior notes was approximately $556 million at September 30, 2026. At September 30, 2026, our swap positions consisted of swap liabilities, included within other long-term liabilities on our condensed consolidated balance sheet, of $555 million. At December 31, 2025, our swap positions included swap assets, included within other long-term assets on our condensed consolidated balance sheet, of $57 million and swap liabilities of $51 million. We include the gain or loss on the swap agreements in interest expense on our condensed consolidated income statement, the same line item as the offsetting loss or gain on the related senior notes. The gain or loss due to hedge ineffectiveness was not material for the three and nine months ended September 30, 2026 and 2025.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

The following table summarizes the notional amounts at September 30, 2026 and December 31, 2025, respectively, for our senior notes under the swap agreements:

Senior Notes Under Swap Agreements	Notional amount at September 30, 2026	Notional amount at December 31, 2025
	(in millions)	
$1,500 million, 5.375% due April 15, 2031	$ 700	$ 700
$750 million, 5.875% due March 1, 2033	650	650
$850 million, 5.950% due March 15, 2034	850	800
$750 million, 5.550% due May 1, 2035	750	600
$250 million, 8.150% due June 15, 2038	250	—
$400 million, 4.625% due December 1, 2042	400	400
$750 million, 4.950% due October 1, 2044	750	600
$400 million, 4.800% due March 15, 2047	400	350
$500 million, 3.950% due August 15, 2049	500	450
$750 million, 5.500% due March 15, 2053	750	700
$1,000 million, 5.750% due April 15, 2054	1,000	800
$500 million, 6.000% due May 1, 2055	500	450
Total Senior Notes Under Swap Agreements	$ 7,500	$ 6,500

Financial Liabilities

Our debt is recorded at carrying value in our condensed consolidated balance sheets. The carrying value of our junior subordinated and senior notes debt outstanding, net of unamortized debt issuance costs, was $12.5 billion at September 30, 2026 and $12.4 billion at December 31, 2025. The fair value of our junior subordinated and senior notes debt was $12.1 billion at September 30, 2026 and $12.2 billion at December 31, 2025. The fair value of our debt is determined based on Level 2 inputs, including quoted market prices for the same or similar debt, or if no quoted market prices are available, on the current prices estimated to be available to us for debt with similar terms and remaining maturities. Carrying value approximates fair value for our commercial paper borrowings. We had no outstanding commercial paper borrowings at September 30, 2026 and December 31, 2025.

Put and Call Options Measured at Fair Value

The put and call options fair values associated with our primary care strategic partnership with Welsh, Carson, Anderson & Stowe, or WCAS, which are exercisable at a fixed revenue exit multiple and provide a minimum return on WCAS' investment if exercised, are measured at fair value each reporting period using a Monte Carlo simulation. The put and call options fair values, derived from the Monte Carlo simulation, were $1.2 billion and $24 million, respectively, at September 30, 2026. The put and call options fair values, derived from the Monte Carlo simulation, were $1.4 billion and $13 million, respectively, at December 31, 2025. The put liability and call asset are primarily included within other long-term liabilities and other long-term assets, respectively, within our condensed consolidated balance sheets. Fair value changes to the put and call options are included within Other (income) expense, net within our condensed consolidated income statement. The net liability associated with the existing joint venture arrangements, which was approximately $1.2 billion at September 30, 2026, is expected to reverse in the fourth quarter of 2026 in connection with the new joint venture transaction described below.

The significant unobservable inputs utilized in these Level 3 fair value measurements (and selected values) include the enterprise value, annualized volatility and credit spread. Enterprise value was derived from a discounted cash flow model, which utilized significant unobservable inputs for long-term revenue, to measure underlying cash flows, weighted average cost of capital and long-term growth rate. The table below presents the assumptions used for each reporting period.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

	September 30, 2026	December 31, 2025
Annualized volatility	21.3% - 22.6%	18.8% - 19.9%
Credit spread	0.8% - 1.5%	1.1% - 1.6%
Revenue exit multiple	1.5x - 2.5x	1.5x - 2.5x
Weighted average cost of capital	10.0% - 11.5%	10.5% - 14.5%
Long-term growth rate	3.0 %	3.0 %

The assumptions used for annualized volatility, credit spread and weighted average cost of capital reflect the lowest and highest values where they differ significantly across the series of put and call options due to their expected exercise dates.

In October 2026, we entered into a new joint venture agreement with funds and accounts managed by HPS Investment Partners, a part of BlackRock (BlackRock), to manage and operate our primary care strategic partnership which sat within joint ventures owned by funds affiliated with WCAS and CenterWell. The new joint venture, majority owned by BlackRock and minority owned by CenterWell, has replaced the current CenterWell and WCAS joint ventures. BlackRock acquired WCAS's current equity ownership, valued at approximately $2.8 billion, with modifications to terms extending the call period to begin in 2028 and removing the put option. Over the next two years, the new joint venture has available committed capital from BlackRock and CenterWell, which is expected to be used to fund existing clinical operations, establish new clinics, and expand the network through strategic acquisitions.

Beginning in 2028, CenterWell will have the option to purchase clinics from the new joint venture at its election. If CenterWell has not acquired all of the new joint venture's clinics by the end of 2033, BlackRock will have the right to exit the new joint venture through a sale process for the new joint venture's remaining clinics, subject to CenterWell's right to submit the first offer to acquire any such remaining clinics. Since the new joint venture does not include a put option, Humana expects a significant reduction in the liabilities on its balance sheet due to the removal of the put arrangements for the existing joint ventures and the lower cost of capital, with BlackRock receiving certain protections. The initial valuation of the net option liability for the new joint venture is estimated to be approximately $255 million at the transaction date. At our election, all existing clinics can be called by us without penalty beginning in 2028 in successive increments of up to one third each year. Should we elect to exercise the call option at each earliest successive date, we may require up to an estimated $1.1 billion, $1.1 billion, and $1.2 billion in 2028, 2029, and 2030, respectively, based on current projections. We may, at our discretion, elect not to exercise the call option or to exercise it only in part, at each such exercise date. These estimates are dependent on multiple factors including the actual timing of when the call options are exercised, expected revenue growth at each clinic and future capital contributions, among other factors.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis subject to fair value adjustment only in certain circumstances. As disclosed in Note 3, we acquired various health and wellness related businesses during 2026 and 2025, including the acquisition of MaxHealth in February 2026. The values of net tangible assets acquired and resulting goodwill and other intangible assets were recorded at fair value primarily using Level 3 inputs. The majority of the related tangible assets acquired and liabilities assumed were recorded at their carrying value as of the respective dates of acquisition, as their carrying values approximated their fair values due to their short-term nature. The fair values of goodwill and other intangible assets acquired in these acquisitions were internally estimated primarily based on the income approach. The income approach estimates fair value based on the present value of the cash flows that the assets are expected to generate in the future. We developed internal estimates for expected cash flows and discount rates in the present value calculations. There were no material assets or liabilities measured at fair value on a nonrecurring basis during 2026 and 2025 other than the assets and liabilities assumed in these acquisitions and any subsequent impairments. We recorded an impairment charge of $128 million relating to our indefinite-lived intangible assets in 2025.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

For additional information regarding our fair value measurements, refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

6. MEDICARE PART D

We cover prescription drug benefits in accordance with Medicare Part D under multiple contracts with the Centers for Medicare and Medicaid Services, or CMS. The accompanying condensed consolidated balance sheets include the following amounts associated with Medicare Part D at September 30, 2026 and December 31, 2025. CMS subsidies/discounts include the reinsurance and low-income cost subsidies funded by CMS for which we assume no risk as well as brand name prescription drug discounts for Part D plan participants funded by CMS and pharmaceutical manufacturers.

The accompanying condensed consolidated balance sheets include $1.8 billion of net assets and $1.5 billion of net assets associated with subsidy programs at September 30, 2026 and December 31, 2025, respectively.

The accompanying condensed consolidated balance sheets also include $1.9 billion of net assets and $1.6 billion of net assets associated with cost sharing programs at September 30, 2026 and December 31, 2025, respectively.

For additional information regarding our prescription drug benefits coverage in accordance with Medicare Part D, refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

7. GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in the carrying amount of goodwill for our reportable segments for the nine months ended September 30, 2026 were as follows:

	Insurance	CenterWell	Total
		(in millions)	
Balance at January 1, 2026	$ 2,663	$ 7,023	$ 9,686
Acquisitions	246	647	893
Dispositions	—	(32)	(32)
Balance at September 30, 2026	$ 2,909	$ 7,638	$ 10,547

The following table presents details of our other intangible assets included in other long-term assets in the accompanying condensed consolidated balance sheets at September 30, 2026 and December 31, 2025:

		September 30, 2026			December 31, 2025		
	Weighted Average Life	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
		($ in millions)					
Other intangible assets:							
Certificates of need	Indefinite	$ 790	$ —	$ 790	$ 790	$ —	$ 790
Medicare licenses	Indefinite	262	—	262	262	—	262
Customer contracts/relationships	8.5 years	798	707	91	732	692	40
Trade names and technology	5.5 years	119	104	15	104	97	7
Provider contracts	12.0 years	65	64	1	67	65	2
Noncompetes and other	8.2 years	89	64	25	85	58	27
Total other intangible assets	8.4 years	$ 2,123	$ 939	$ 1,184	$ 2,040	$ 912	$ 1,128

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

For the three months ended September 30, 2026 and 2025, amortization expense for other intangible assets was approximately $10 million and $13 million, respectively. For the nine months ended September 30, 2026 and 2025, amortization expense for other intangible assets was approximately $29 million and $43 million, respectively. We recorded an impairment charge of $128 million relating to our indefinite-lived intangible assets in 2025.

The following table presents our estimate of amortization expense remaining for 2026 and each of the next five succeeding years at September 30, 2026:

	(in millions)
For the years ending December 31,	
2026	$ 10
2027	32
2028	21
2029	18
2030	18
2031	12

For additional information regarding our goodwill and intangible assets, refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

8. BENEFITS PAYABLE

On a consolidated basis, which represents our Insurance segment net of eliminations, activity in benefits payable was as follows for the nine months ended September 30, 2026 and 2025:

	For the nine months ended September 30,	
	2026	2025
	(in millions)	
Balances, beginning of period	$ 9,967	$ 10,440
Dispositions	—	(1)
Incurred related to:		
Current year	105,910	83,004
Prior years	(509)	(913)
Total incurred	105,401	82,091
Paid related to:		
Current year	(93,237)	(73,460)
Prior years	(9,004)	(8,982)
Total paid	(102,241)	(82,442)
Balances, end of period	$ 13,127	$ 10,088

The total estimate of benefits payable for claims incurred but not reported, or IBNR, is included within the incurred claims amounts. At September 30, 2026 and September 30, 2025, benefits payable included IBNR of approximately $9.1 billion and $6.9 billion, respectively, primarily associated with claims incurred in each respective period.

Amounts incurred related to prior periods vary from previously estimated liabilities as the claims ultimately are settled. Negative amounts reported for incurred related to prior years result from claims being ultimately settled for amounts less than originally estimated (favorable development).

Our reserving practice is to consistently recognize the actuarial best estimate of our ultimate liability for claims. Actuarial standards require the use of assumptions based on moderately adverse experience, which generally results in favorable reserve development, or reserves that are considered redundant. For additional information regarding our benefits payable and benefits expense recognition, refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

9. EARNINGS PER COMMON SHARE COMPUTATION

Detail supporting the computation of basic and diluted earnings per common share was as follows for the three and nine months ended September 30, 2026 and 2025:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(dollars in millions, except per common share results; number of shares in thousands)			
Net income available for common stockholders	$ 162	$ 195	$ 2,042	$ 1,984
Weighted average outstanding shares of common stock used to compute basic earnings per common share	120,094	120,273	120,164	120,492
Dilutive effect of:				
Employee stock options	5	—	2	—
Restricted stock	1,729	472	1,039	286
Shares used to compute diluted earnings per common share	121,828	120,745	121,205	120,778
Basic earnings per common share	$ 1.35	$ 1.62	$ 16.99	$ 16.47
Diluted earnings per common share	$ 1.33	$ 1.62	$ 16.84	$ 16.43
Number of antidilutive stock options and restricted stock excluded from computation	198	450	1,079	1,016

For additional information regarding earnings per common share, refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

10. STOCKHOLDERS' EQUITY

Dividends

The following table provides details of dividend payments, excluding dividend equivalent rights for unvested stock awards, during 2026 under our Board-approved quarterly cash dividend policy:

Record Date	Payment Date	Amount per Share	Total Amount
			(in millions)
2026 payments			
12/26/2025	1/30/2026	$ 0.8850	$ 107
3/27/2026	4/24/2026	$ 0.8850	$ 106
6/26/2026	7/31/2026	$ 0.8850	$ 106

In September 2026, the Board declared a cash dividend of $0.885 per share payable on November 27, 2026 to stockholders of record as of the close of business on October 30, 2026. In October 2026, the Board declared a cash dividend of 0.885 per share payable on January 29, 2027 to stockholders of record as of the close of business on December 24, 2026. Declaration and payment of future quarterly dividends are at the discretion of our Board and may be adjusted as business needs or market conditions change.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Stock Repurchases

Our Board of Directors may authorize the purchase of our common stock shares. Under the share repurchase authorization, shares may be purchased from time to time at prevailing prices in the open market, by block purchases, through plans designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or in privately-negotiated transactions, including pursuant to accelerated share repurchase agreements with investment banks, subject to certain regulatory restrictions on volume, pricing, and timing.

Effective February 16, 2024, the Board of Directors replaced the February 2023 repurchase authorization (of which approximately $824 million remained unused) with a new share repurchase authorization for repurchases of up to $3 billion of our common shares exclusive of shares repurchased in connection with employee stock plans, expiring as of February 15, 2027, which we refer to as the 2024 repurchase authorization. During the nine months ended September 30, 2026, we repurchased 0.6 million shares in open market transactions for $103 million. These shares were repurchased at an average price of $182.13 under the February 2024 share repurchase authorization. During the nine months ended September 30, 2025, we repurchased 0.4 million shares in open market transactions for $100 million. These shares were repurchased at an average price of $233.73 under the February 2024 share repurchase authorization.

Our remaining repurchase authorization was $2.7 billion as of November 5, 2026.

In connection with employee stock plans, we acquired 0.03 million common shares for $7 million and 0.04 million common shares for $10 million during the nine months ended September 30, 2026 and 2025, respectively.

For additional information regarding our stockholders' equity, refer to Note 16 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

11. INCOME TAXES

The effective income tax rate was 19.7% and (77.3)% for the three months ended September 30, 2026 and 2025, respectively, and 24.8% and 20.1% for the nine months ended September 30, 2026 and 2025, respectively. The 2026 quarter and period effective income tax rate increase is primarily attributable to a tax benefit recognized in the prior year in connection with the sale of a business, which did not recur in the current year.

For the nine months ended September 30, 2026 and 2025, we paid income taxes net of refunds of $290 million and $151 million, respectively.

For additional information regarding income taxes, refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

12. DEBT

The carrying value of debt outstanding, net of unamortized debt issuance costs, was as follows at September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
	(in millions)	
Short-term debt:		
Commercial paper	$ —	$ —
Senior notes:		
$750 million, 1.350% due February 3, 2027	520	—
$600 million, 3.950% due March 15, 2027	429	
Total senior notes	949	—
Total short-term debt	$ 949	$ —
Long-term debt:		
Senior notes:		
$750 million, 1.350% due February 3, 2027	$ —	$ 563
$600 million, 3.950% due March 15, 2027	—	466
$500 million, 5.750% due March 1, 2028	492	491
$500 million, 5.750% due December 1, 2028	497	497
$750 million, 3.700% due March 23, 2029	526	586
$500 million, 3.125% due August 15, 2029	338	388
$500 million, 4.875% due April 1, 2030	498	497
$1,500 million, 5.375% due April 15, 2031	1,458	1,493
$750 million, 2.150% due February 3, 2032	485	592
$750 million, 5.875% due March 1, 2033	707	750
$850 million, 5.950% due March 15, 2034	774	832
$750 million, 5.550% due May 1, 2035	693	746
$250 million, 8.150% due June 15, 2038	240	260
$400 million, 4.625% due December 1, 2042	343	374
$750 million, 4.950% due October 1, 2044	652	717
$400 million, 4.800% due March 15, 2047	362	396
$500 million, 3.950% due August 15, 2049	478	517
$750 million, 5.500% due March 15, 2053	672	727
$1,000 million, 5.750% due April 15, 2054	911	991
$500 million, 6.000% due May 1, 2055	443	486
Junior subordinated notes:		
$1,000 million, 6.625% due September 15, 2056	986	—
Total long-term debt	$ 11,555	$ 12,369

Junior Subordinated Notes

In March 2026, we issued $1 billion in aggregate principal amount of 6.625% fixed-to-fixed rate junior subordinated notes (Subordinated Notes) due September 15, 2056, which resulted in approximately $990 million of net proceeds after deducting underwriters' discounts and offering expenses. The Subordinated Notes will bear interest from, and including, March 9, 2026 to September 15, 2031 (First Reset Date) at a rate of 6.625% per year. The interest-rate will reset every five years beginning on September 15, 2031, to equal the then-current-five-year U.S. Treasury rate plus a spread of 2.891%, provided the interest rate will not reset below 6.625%. We have the right

to defer payment of all or part of the current and accrued interest on the Subordinated Notes, on one or more occasions, for a period of up to 10 consecutive years. We may not, subject to certain limited exceptions, declare or pay any dividends or other distributions on, or redeem, repurchase or otherwise acquire any of our capital stock during the deferral period. We are currently not deferring payment. At our option, we may redeem some or all of the Subordinated Notes during specified periods and at specified redemption prices. We used the net proceeds from this offering for general corporate purposes, including repayment of borrowings under our commercial paper program.

Senior Notes

In March 2026, we entered into a Rule 10b5-1 Repurchase Plan to repurchase a portion of our $750 million aggregate principal amount of 1.350% senior notes maturing in February 2027, $600 million aggregate principal of 3.950% senior notes maturing in March 2027, $750 million aggregate principal amount of 3.700% senior notes maturing in March 2029, $500 million aggregate principal amount of 3.125% senior notes maturing in August 2029 and $750 million aggregate principal amount of 2.150% senior notes maturing in February 2032 during the period beginning on March 23, 2026 and ending on July 31, 2026. For the period ended September 30, 2026, we repurchased $44 million of the principal amount of the 1.350% senior notes maturing in February 2027 for approximately $43 million cash, $37 million of the principal amount of the 3.950% senior notes maturing in March 2027 for approximately $37 million cash, $61 million of the principal amount of the 3.700% senior notes maturing in March 2029 for approximately $59 million cash, $50 million of the principal amount of the 3.125% senior notes maturing in August 2029 for approximately $48 million cash and $108 million of the principal amount of the 2.150% senior notes maturing in February 2032 for approximately $94 million cash.

We have entered into interest-rate swap agreements with major financial institutions to convert our interest-rate exposure on some of our senior notes payable from fixed rates to variable rates, based on the Secured Overnight Financing Rate (SOFR), to align interest costs more closely with floating interest rates received on our cash equivalents and investment securities, as further described in Note 5. As a result, the carrying value of these senior notes has been adjusted to reflect changes in value caused by an increase or decrease in interest rates. The cumulative, aggregate decrease to the carrying value of the senior notes was approximately $556 million at September 30, 2026.

For additional information regarding our Senior Notes, refer to Note 13 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

Pre-Capitalized Trust Security Arrangements

In May 2026, we entered into Pre-Capitalized Trust Security arrangements (“P-Caps”) with Horseshoe Funding Trust I (“2036 Trust”) and Horseshoe Funding Trust II (“2055 Trust” and collectively, the “Trusts”). The Trusts each completed the issuance and sale of $750 million P-Caps exempted from registration under the Securities Act of 1933, as amended (the “Securities Act”). The P-Caps provide us with on-demand capital and liquidity by permitting us to issue up to $750 million aggregate principal amount of our 6.062% Senior Notes due 2036 (the “2036 Senior Notes”) to the 2036 Trust during a ten-year period and up to $750 million aggregate principal amount of our 6.887% Senior Notes due 2055 (the “2055 Senior Notes” and, together with the 2036 Senior Notes, the “Senior Notes”) to the 2055 Trust during a thirty-year period. Each Trust invested the proceeds from the sale of its P-Caps in principal and interest strips of U.S. Treasury securities (the “Eligible Assets”).

In May 2026, we also entered into separate facility agreements (each, a “Facility Agreement”) with each Trust and The Bank of New York Mellon Trust Company, N.A., as trustee for the Senior Notes (the “Trustee”). Under the Facility Agreements, each Trust granted the Company the right to require such Trust to purchase, on one or more occasions, up to $750 million aggregate principal amount of the applicable Senior Notes (each, an “Issuance Right”), and the Company agreed to pay semi-annual facility fees calculated at 1.661% per annum for the 2036 Trust and 1.916% per annum for the 2055 Trust on the unexercised portion of the applicable Issuance Right. We also entered into separate trust expense reimbursement agreements with each Trust.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

An Issuance Right will be exercised automatically in full upon certain payment defaults under the applicable Facility Agreement or trust expense reimbursement agreement, or upon certain bankruptcy events. We will be required to exercise each Issuance Right in full upon certain other events, including if we reasonably believe our consolidated net worth has fallen below $4 billion, upon certain indenture defaults or change-of-control offer expiration events, or upon specified events relating to a Trust's status under the Investment Company Act.

As of September 30, 2026, we had not exercised our Issuance Right under the P-Cap arrangements, and no senior notes had been issued to the Trusts. Accordingly, no debt related to the P-Cap arrangements has been recognized in the accompanying Condensed Consolidated Balance Sheets.

Revolving Credit Agreements

In May 2025, we entered into an amended and restated 5-year, $5.0 billion unsecured revolving credit agreement. The May 2025 revolving credit agreement (i) increases the amount of the commitments under our June 2023 revolving credit agreement from $2.642 billion to $5.0 billion and (ii) replaces our existing May 2024 364-day $2.1 billion unsecured revolving credit agreement, which expired in accordance with its terms.

Under the revolving credit agreement, at our option, we can borrow on either a competitive advance basis or a revolving credit basis. The revolving credit portion bears interest at Term SOFR or the base rate plus a spread. The competitive advance portion of any borrowings will bear interest at market rates prevailing at the time of borrowing on either a fixed rate or a floating rate based Term SOFR, at our option.

The SOFR spread varies depending on our credit ratings ranging from 79.5 to 130.0 basis points. As of September 30, 2026, our SOFR spread was 101.5 basis points. We also pay an annual facility fee regardless of utilization. This facility fee varies depending on our credit ratings ranging from 8.0 to 20.0 basis points. As of September 30, 2026, our facility fee was 11.0 basis points.

The terms of our revolving credit agreement include standard provisions related to conditions of borrowing which could limit our ability to borrow additional funds. In addition, our credit agreement contains customary restrictive covenants and a financial covenant regarding maximum debt to capitalization of 60%, as well as customary events of default. We are in compliance with this financial covenant, with actual debt to capitalization of 40.9% as measured in accordance with the revolving credit agreement as of September 30, 2026. Upon our agreement with one or more financial institutions, we may expand the aggregate commitments under the revolving credit agreement by up to $1.0 billion, to a maximum of $6.0 billion.

As of September 30, 2026, we had $5.0 billion of remaining borrowing capacity under the credit agreement (which excludes the uncommitted $1.0 billion of incremental loan facilities), none of which would be restricted by our financial covenant compliance requirement.

We have other customary relationships, including financial advisory and banking, with some parties to the revolving credit agreement.

For additional information regarding our Revolving Credit Agreements, refer to Note 13 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

Commercial Paper

Under our commercial paper program, we may issue short-term, unsecured commercial paper notes privately placed on a discount basis through certain broker dealers at any time. Amounts available under the program may be borrowed, repaid and re-borrowed from time to time. The net proceeds of issuances have been and are expected to be used for general corporate purposes. The maximum principal amount outstanding at any one time during the nine

months ended September 30, 2026 was $2.63 billion, with no outstanding amount at September 30, 2026 and December 31, 2025.

For additional information regarding our Commercial Paper refer to Note 13 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

Other Short-Term Borrowings

We are a member, through one subsidiary, of the Federal Home Loan Bank of Cincinnati, or FHLB. As a member we have the ability to obtain short-term cash advances, subject to certain minimum collateral requirements. In August 2026, we received a short-term cash advance of $100 million from FHLB with certain of our marketable securities as collateral, which remained outstanding as of September 30, 2026. The advance is included within trade accounts payable and accrued expenses on our condensed consolidated balance sheet as of September 30, 2026.

13. COMMITMENTS, GUARANTEES AND CONTINGENCIES

Government Contracts

Our Medicare products, which accounted for approximately 85% of our total premiums and services revenue for the nine months ended September 30, 2026, primarily consisted of products covered under the Medicare Advantage and Medicare Part D Prescription Drug Plan contracts with the federal government. These contracts are renewed generally for a calendar year term unless CMS notifies us of its decision not to renew by May 1 of the calendar year in which the contract would end, or we notify CMS of our decision not to renew by the first Monday in June of the calendar year in which the contract would end. All material contracts between Humana and CMS relating to our Medicare products have been renewed for 2027, and all of our product offerings filed with CMS and going to market for 2027 have been approved.

CMS uses a risk-adjustment model that adjusts premiums paid to Medicare Advantage, or MA, plans according to health status of covered members. The risk-adjustment model, which CMS implemented pursuant to the Balanced Budget Act of 1997 (BBA) and the Benefits Improvement and Protection Act of 2000 (BIPA), generally pays more where a plan's membership has higher expected costs. Under this model, rates paid to MA plans are based on actuarially determined bids, which include a process whereby our prospective payments are based on our estimated cost of providing standard Medicare-covered benefits to an enrollee with a "national average risk profile." That baseline payment amount is adjusted to account for certain demographic characteristics and health status of our enrolled members. Under the risk-adjustment methodology, all MA plans must collect from providers and submit the necessary diagnosis code information to CMS within prescribed deadlines. The CMS risk-adjustment model uses the diagnosis data, collected from providers, to calculate the health status-related risk-adjusted premium payment to MA plans, which CMS further adjusts for coding pattern differences between the health plans and the government fee-for-service (FFS) program. We generally rely on providers, including certain providers in our network who are our employees, to code their claim submissions with appropriate diagnoses, which we send to CMS as the basis for our health status-adjusted payment received from CMS under the actuarial risk-adjustment model. We also rely on these providers to document appropriately all medical data, including the diagnosis data submitted with claims. In addition, we conduct medical record reviews as part of our data and payment accuracy compliance efforts, to more accurately reflect diagnosis conditions under the risk adjustment model.

CMS and the Office of the Inspector General of Health and Human Services, or HHS-OIG, perform audits of various companies' risk adjustment diagnosis data submissions. We refer to these audits as Risk-Adjustment Data Validation Audits, or RADV audits. RADV audits review medical records in an attempt to validate provider medical record documentation and coding practices that influence the calculation of health status-related premium payments to MA plans.

In 2012, CMS released an MA contract-level RADV methodology that would extrapolate the results of each CMS RADV audit sample to the audited MA contract's entire health status-related risk adjusted premium amount for the year under audit. In doing so, CMS recognized "that the documentation standard used in RADV audits to

determine a contract's payment error (medical records) is different from the documentation standard used to develop the Part C risk-adjustment model (FFS claims)." To correct for this difference, CMS stated that it would apply a "Fee-for-Service Adjuster (FFS Adjuster)" as "an offset to the preliminary recovery amount." This adjuster would be "calculated by CMS based on a RADV-like review of records submitted to support FFS claims data." CMS stated that this methodology would apply to audits beginning with payment year (PY) 2011. Humana relied on CMS's 2012 guidance in submitting MA bids to CMS. Humana also launched a "Self-Audits" program in 2013 that applied CMS's 2012 RADV audit methodology and included an estimated FFS Adjuster. Humana completed Self-Audits for PYs 2011-2016 and reported results to CMS.

In October 2018, however, CMS issued a proposed rule announcing possible changes to the RADV audit methodology, including elimination of the FFS Adjuster. CMS proposed (Proposed RADV Rule) applying its revised methodology, including extrapolated recoveries without application of a FFS Adjuster, to RADV audits dating back to PY 2011. On January 30, 2023, CMS published a final rule related to the RADV audit methodology (Final RADV Rule). The Final RADV Rule confirmed CMS's decision to eliminate the FFS Adjuster. The Final RADV Rule states CMS's intention to extrapolate results from CMS and HHS-OIG RADV audits beginning with PY 2018, rather than PY 2011 as proposed. However, CMS's Final RADV Rule does not adopt a specific sampling, extrapolation or audit methodology. CMS instead stated its general plan to rely on "any statistically valid method . . . that is determined to be well-suited to a particular audit."

We believe that the Final RADV Rule fails to address adequately the statutory requirement of actuarial equivalence and violates the Administrative Procedure Act (APA). CMS failed to meet its legal obligations in the federal rulemaking process to give a reasoned justification for the rule or provide a meaningful opportunity for public comment. CMS also chose to apply the rule retroactively rather than prospectively, as required by law. Humana's actuarially certified bids through PY 2027 preserved Humana's position that CMS should apply an FFS Adjuster in any RADV audit that CMS intends to extrapolate. CMS confirmed its intent to apply the Final RADV Rule, including the first application of extrapolated audit results to determine audit settlements without the use of a FFS Adjuster, when it selected certain of Humana's MA contracts for PY 2018 RADV audits. CMS has also initiated RADV audits for payment years 2019 through 2021 and 2024, selecting certain of Humana's MA contracts for all audited years, announced it will follow a rolling schedule to initiate audits for subsequent payment years, and stated that the decision on whether it will apply extrapolation to the ongoing audits will be made at a later date. The Final RADV Rule, including the lack of a FFS Adjuster, and any related regulatory, industry or company reactions, the expansion of CMS's auditing efforts to include all eligible MA contracts, the acceleration of RADV audits for PY 2018 through PY 2024, other changes CMS may make to the RADV audit methodology for these years, and combination of these expanded auditing efforts with the application of the Final RADV Rule, could each have a material adverse effect on our results of operations, financial position, or cash flows.

On September 1, 2023, Humana Inc. and Humana Benefit Plan of Texas, Inc. filed suit against the United States Department of Health and Human Services, and Xavier Becerra in his official capacity as Secretary, in the United States District Court, Northern District of Texas, Fort Worth Division seeking a determination that the Final RADV Rule violates the APA and should be set aside. On September 25, 2025, the Court granted our motion for summary judgment and vacated the Final RADV Rule, finding that the Final RADV Rule was procedurally invalid under the APA because it was not a "logical outgrowth" of the Proposed RADV Rule. On November 21, 2025, the government notified the court of its appeal of that decision, which is now pending at the United States Court of Appeals for the Fifth Circuit and captioned *Humana v. Kennedy*. There can be no assurances as to the final disposition of this lawsuit. We remain committed to working alongside CMS to promote the integrity of the MA program as well as affordability and cost certainty for our members. It is critical that MA plans are paid accurately and that payment model principles, including the application of a FFS Adjuster, are in accordance with the requirements of the Social Security Act, which, if not implemented correctly could have a material adverse effect on our results of operations, financial position, or cash flows.

In addition, as part of our internal compliance efforts, we routinely perform ordinary course reviews of our internal business processes related to, among other things, our risk coding and data submissions in connection with the risk adjustment model. These reviews may also result in the identification of errors and the submission of

corrections to CMS that may, either individually or in the aggregate, be material. As such, the result of these reviews may have a material adverse effect on our results of operations, financial position, or cash flows.

Our state-based Medicaid business, which accounted for approximately 8% of our total premiums and services revenue for the nine months ended September 30, 2026, primarily serves members enrolled in Medicaid, and in certain circumstances members who qualify for both Medicaid and Medicare, under contracts with various states.

The loss of any of the contracts above or significant changes in these programs as a result of legislative or regulatory action, including reductions in premium payments to us, regulatory restrictions on profitability, or increases in member benefits or member eligibility criteria without corresponding increases in premium payments to us, may have a material adverse effect on our results of operations, financial position, and cash flows.

Legal Proceedings and Certain Regulatory Matters

From time to time, the Civil Division of the United States Department of Justice has provided us with information requests, concerning our Medicare Part C risk adjustment practices. These requests relate to our oversight and submission of risk adjustment data generated by providers, as well as to our business and compliance practices related to risk adjustment data generated by our providers and by our Medicare Advantage Organizations. We continue to cooperate with the Department of Justice on these requests.

On September 1, 2023, Humana Inc. and Humana Benefit Plan of Texas, Inc. filed suit against the United States Department of Health and Human Services, and Xavier Becerra in his official capacity as Secretary, in the United States District Court, Northern District of Texas, Fort Worth Division seeking a determination that the Final RADV Rule violates the APA and should be set aside. On September 25, 2025, the Court granted our motion for summary judgment and vacated the Final RADV Rule, finding that the Final RADV Rule was procedurally invalid under the APA because it was not a "logical outgrowth" of the Proposed RADV Rule. On November 21, 2025, the government notified the court of its appeal of that decision, which is now pending at the United States Court of Appeals for the Fifth Circuit and captioned *Humana v. Kennedy*. There can be no assurances as to the final disposition of this lawsuit. See “Government Contracts” in this footnote to the unaudited Consolidated Financial Statements of this Form 10-Q for additional information regarding this matter.

In June 2024, a putative stockholder class action was filed against Humana Inc. and certain of our current and former executive officers under the federal securities laws in the United States District Court for the District of Delaware. The case, now captioned *In re Humana Inc. Securities Litigation*, alleges that between July 2022 and October 2024, Humana made false or misleading statements in its periodic SEC filings and statements to the financial markets about our financial performance and the medical costs, Star Ratings, and certain distribution relationships with respect to our Medicare Advantage business. The action seeks, among other things, unspecified compensatory damages and attorneys' fees. Between July 2024 and October 2026, parallel stockholder derivative actions were filed in the United States District Court for the Western District of Kentucky, now consolidated and captioned *In re Humana Shareholder Derivative Action;* Jefferson Circuit Court, Commonwealth of Kentucky, captioned *Nicolaou v. Broussard*, and Delaware Chancery Court, captioned *Glenn Boyles v. Broussard, et al*. These derivative actions allege that the same claimed acts and omissions underlying the federal securities law case constitute a breach of fiduciary duty by certain of our current and former directors and executive officers. The actions seek, among other things, reforms to the Company's corporate governance and internal procedures, unspecified damages and attorneys' fees. We will vigorously defend against the allegations in all cases.

On October 18, 2024, Humana Inc., along with co-plaintiff Americans for Beneficiary Choice, filed suit against the United States Department of Health and Human Services and its Secretary, Centers for Medicare and Medicaid Services, and its Administrator, in the United States District Court, Northern District of Texas, Fort Worth Division, seeking a determination that they violated the Administrative Procedure Act in administering the Medicare Advantage and Part D Star Ratings program. On October 14, 2025, the Court issued a decision rejecting our challenge to the 2025 Star Ratings. On November 25, 2025, we notified the court of our appeal, which is now pending in the United States Court of Appeals for the Fifth Circuit. There is no assurance that we will ultimately prevail in the lawsuit. For additional information on this matter, refer to Part I, Item 1A, "Risk Factors" in our 2025 Form 10-K, and Part II, Item 1A, "Risk Factors" of this Form 10-Q.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

On May 1, 2025, the Department of Justice (DOJ) filed a complaint in partial intervention related to a qui tam lawsuit filed by an individual formerly employed by eHealth, Inc., in the United States District Court for the District of Massachusetts. The intervened lawsuit is captioned *United States of America ex. rel. Andrew Shea v. eHealth, Inc., et al., Case No. 1:21-cv-11777-DJC*. The complaint alleges certain civil violations in connection with non-commission payments Humana made to three call center broker partners. The complaint also includes allegations relating to Humana's marketing of Medicare Advantage plans to Medicare-eligible beneficiaries under the age of 65. The action seeks damages and penalties on behalf of the United States under the federal False Claims Act. The court ordered the qui tam action unsealed following the filing of DOJ's complaint in partial intervention on May 1, 2025. We take seriously our obligations to comply with applicable regulatory requirements and laws, and will vigorously defend against these allegations.

On December 30, 2025, the United States Court of Appeals for the Sixth Circuit denied Humana's petition for permission to appeal a district court order certifying a class in the action of *David Elliott v. Humana Inc.*, alleging violations of the Telephone Consumer Protection Act (TCPA), 47 U.S.C. §227. The class action will proceed in the United States District Court, Western District of Kentucky. We take seriously our obligations to comply with TCPA and other consumer privacy requirements, and we will vigorously defend against these allegations.

Other Lawsuits and Regulatory Matters

Our current and past business practices are subject to review or other investigations by various state insurance and health care regulatory authorities and other state and federal regulatory authorities. These authorities regularly scrutinize the business practices of health insurance, health care delivery and benefits companies. These reviews focus on numerous facets of our business, including claims payment practices, statutory capital requirements, provider and vendor contracting and oversight, risk adjustment, competitive practices, commission payments, marketing payments, privacy issues, utilization management practices, pharmacy benefits, access to care, sales practices, and provision of care by our healthcare services businesses, among others. Some of these reviews have historically resulted in fines imposed on us and some have required changes to some of our practices. We continue to be subject to these reviews, which could result in additional fines or other sanctions being imposed on us or additional changes in some of our practices.

We also are involved in various other lawsuits that arise, for the most part, in the ordinary course of our business operations, certain of which may be styled as class-action lawsuits. Among other matters, this litigation may include employment matters, claims of medical malpractice, bad faith, personal injury, nonacceptance or termination of providers, anticompetitive practices, improper rate setting, provider contract rate and payment disputes, including disputes over reimbursement rates required by statute, disputes arising from competitive procurement process, general contractual matters, intellectual property matters, and challenges to subrogation practices. Under state guaranty assessment laws, including those related to state cooperative failures in the industry, we may be assessed (up to prescribed limits) for certain obligations to the policyholders and claimants of insolvent insurance companies that write the same line or lines of business as we do.

As a government contractor, we may also be subject to false claims litigation, such as qui tam lawsuits brought by individuals who seek to sue on behalf of the government, alleging that the government contractor submitted false claims to the government or retained overpayments from the government, including, among other allegations, those resulting from coding and review practices under the Medicare risk adjustment model. Qui tam litigation is filed under seal to allow the government an opportunity to investigate and to decide if it wishes to intervene and assume control of the litigation. If the government does not intervene, the individual may continue to prosecute the action on his or her own, on behalf of the government. We also are subject to other allegations of nonperformance of contractual obligations to providers, members, and others, including failure to properly pay claims, improper policy terminations, challenges to our implementation of the Medicare Part D prescription drug program and other litigation.

A limited number of the claims asserted against us are subject to insurance coverage. Personal injury claims, claims for extra contractual damages, care delivery malpractice, and claims arising from medical benefit denials are covered by insurance from our wholly owned captive insurance subsidiary and excess carriers, except to the extent

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

that claimants seek punitive damages, which may not be covered by insurance in certain states in which insurance coverage for punitive damages is not permitted. In addition, insurance coverage for all or certain forms of liability has become increasingly costly and may become unavailable or prohibitively expensive in the future.

We record accruals for the contingencies discussed in the sections above to the extent that we conclude it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. No estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made at this time regarding the matters specifically described above because of the inherently unpredictable nature of legal proceedings, which also may be exacerbated by various factors, including: (i) the damages sought in the proceedings are unsubstantiated or indeterminate; (ii) discovery is not complete; (iii) the proceeding is in its early stages; (iv) the matters present legal uncertainties; (v) there are significant facts in dispute; (vi) there are a large number of parties (including where it is uncertain how liability, if any, will be shared among multiple defendants); or (vii) there is a wide range of potential outcomes.

The outcome of any current or future litigation or governmental or internal investigations, including the matters described above, cannot be accurately predicted, nor can we predict any resulting judgments, penalties, fines or other sanctions that may be imposed at the discretion of federal or state regulatory authorities or as a result of actions by third parties. Nevertheless, it is reasonably possible that any such outcome of litigation, judgments, penalties, fines or other sanctions could be substantial, and the outcome of these matters may have a material adverse effect on our results of operations, financial position, and cash flows, and may also affect our reputation.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

14. SEGMENT INFORMATION

Our two reportable segments, Insurance and CenterWell, are based on a combination of the type of health plan customer and adjacent businesses centered on well-being solutions for our health plans and other customers, as described below. Our Chief Executive Officer, the Chief Operating Decision Maker, utilizes these segment groupings and results of each segment, measured by income (loss) from operations, to assess performance and allocate resources primarily during our annual budget process and periodic forecast updates.

The Insurance segment consists of Medicare benefits, marketed to individuals or directly via group Medicare accounts, as well as our stand-alone prescription drug plans, or PDP, and contracts with various states to provide Medicaid, and Long-Term Support Services benefits, which we refer to collectively as our state-based contracts. This segment also includes products consisting of specialty health insurance benefits marketed to individuals and employer groups, including dental, vision, and other supplemental health benefits. In addition, our Insurance segment includes our Military services business as well as the operations of our PBM business.

The CenterWell segment includes our pharmacy solutions, primary care, and home solutions operations. Services offered by this segment are designed to enhance the overall healthcare experience. These services may lead to lower utilization associated with improved member health and/or lower drug costs.

Our CenterWell intersegment revenues include the operations of CenterWell Pharmacy (our mail-order pharmacy business), CenterWell Specialty Pharmacy, and retail pharmacies jointly located within CenterWell primary care clinics. In addition, our CenterWell intersegment revenues include revenues earned by certain owned providers and our home solutions business, including fee-for-service and certain value-based arrangements with our health plans.

We present our condensed consolidated results of operations from the perspective of the health plans. As a result, the cost of providing benefits to our members, whether provided via a third party provider or internally through a stand-alone subsidiary, is classified as benefits expense and excludes the portion of the cost for which the health plans do not bear responsibility, including member co-share amounts and government subsidies of $4.8 billion and $3.7 billion for the three months ended September 30, 2026 and 2025, respectively. For the nine months ended September 30, 2026 and 2025 these amounts were $13.5 billion and $10.2 billion, respectively. In addition, depreciation and amortization expense associated with certain businesses delivering benefits to our members, primarily associated with our primary care and pharmacy solutions operations, are included with benefits expense. The amount of this expense was $29 million and $30 million for the three months ended September 30, 2026 and 2025, respectively, and $89 million and $95 million for the nine months ended September 30, 2026 and 2025, respectively.

Other than those described previously, the accounting policies of each segment are the same. For additional information regarding our accounting policies refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K. Transactions between reportable segments primarily consist of sales of products and services rendered by our CenterWell segment, primarily pharmacy solutions, primary care, and home solutions, to our Insurance segment customers. Intersegment sales and expenses are recorded primarily at fair value and eliminated in consolidation. Members served by our segments often use the same provider networks, enabling us in some instances to obtain more favorable contract terms with providers. Our segments also share indirect costs and assets. As a result, the profitability of each segment is interdependent. We allocate most operating expenses to our segments. Assets and certain corporate income and expenses are not allocated to the segments, including the portion of investment income not supporting segment operations, interest expense on corporate debt, and certain other corporate expenses. These items are managed at a corporate level. These corporate amounts are reported separately from our reportable segments and are included with intersegment eliminations in the tables presenting segment results below.

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Our segment results were as follows for the three and nine months ended September 30, 2026 and 2025:

	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
Three months ended September 30, 2026		**(in millions)**		
External revenues				
Premiums revenue	$ 38,701	$ —	$ —	$ 38,701
Services revenue	254	1,871	—	2,125
Total external revenues	38,955	1,871	—	40,826
Intersegment revenues	1	5,286	(5,287)	—
Net investment income	127	—	202	329
Total revenues	39,083	7,157	(5,085)	41,155
Operating expenses:				
Benefits	36,250	—	74	36,324
Operating costs	2,999	6,866	(5,267)	4,598
Depreciation and amortization	137	48	(27)	158
Total operating expenses	39,386	6,914	(5,220)	41,080
(Loss) income from operations	$ (303)	$ 243	$ 135	$ 75

	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
Three months ended September 30, 2025		**(in millions)**		
External revenues				
Premiums revenue	$ 30,711	$ —	$ —	$ 30,711
Services revenue	267	1,333	—	1,600
Total external revenues	30,978	1,333	—	32,311
Intersegment revenues	1	4,546	(4,547)	—
Net investment income	210	—	128	338
Total revenues	31,189	5,879	(4,419)	32,649
Operating expenses:				
Benefits	27,982	—	9	27,991
Operating costs	2,808	5,521	(4,244)	4,085
Depreciation and amortization	148	53	(28)	173
Total operating expenses	30,938	5,574	(4,263)	32,249
Income (loss) from operations	$ 251	$ 305	$ (156)	$ 400

Humana Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Nine months ended September 30, 2026	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
		(in millions)		
External revenues				
Premiums revenue	$ 115,244	$ —	$ —	$ 115,244
Services revenue	700	4,880	2	5,582
Total external revenues	115,944	4,880	2	120,826
Intersegment revenues	4	15,167	(15,171)	—
Net investment income	334	—	510	844
Total revenues	116,282	20,047	(14,659)	121,670
Operating expenses:				
Benefits	105,371	—	30	105,401
Operating costs	8,541	18,904	(14,845)	12,600
Depreciation and amortization	418	145	(83)	480
Total operating expenses	114,330	19,049	(14,898)	118,481
Income from operations	$ 1,952	$ 998	$ 239	$ 3,189

Nine months ended September 30, 2025	Insurance	CenterWell	Eliminations/ Corporate	Consolidated
		(in millions)		
External Revenues				
Premiums revenue	$ 91,941	$ —	$ —	$ 91,941
Services revenue	725	3,609	—	4,334
Total external revenues	92,666	3,609	—	96,275
Intersegment revenues	3	12,902	(12,905)	—
Net investment income	551	—	323	874
Total revenues	93,220	16,511	(12,582)	97,149
Operating expenses:				
Benefits	82,278	—	(187)	82,091
Operating costs	7,900	15,298	(12,186)	11,012
Depreciation and amortization	451	172	(89)	534
Total operating expenses	90,629	15,470	(12,462)	93,637
Income (loss) from operations	$ 2,591	$ 1,041	$ (120)	$ 3,512

Humana Inc.
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The condensed consolidated financial statements of Humana Inc. in this document present the Company's financial position, results of operations and cash flows, and should be read in conjunction with the following discussion and analysis. References to "we," "us," "our," "Company," and "Humana" mean Humana Inc. and its subsidiaries. This discussion includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in filings with the Securities and Exchange Commission, or SEC, in our press releases, investor presentations, and in oral statements made by or with the approval of one of our executive officers, the words or phrases like "believes," "expects," "anticipates," "intends," "likely will result," "estimates," "projects" or variations of such words and similar expressions are intended to identify such forward–looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions, including, among other things, information set forth in Item 1A. – Risk Factors in our 2025 Form 10-K, as modified by any changes to those risk factors included in this document and in other reports we filed subsequent to February 19, 2026, in each case incorporated by reference herein. In making these statements, we are not undertaking to address or update such forward-looking statements in future filings or communications regarding our business or results. In light of these risks, uncertainties and assumptions, the forward–looking events discussed in this document might not occur. There may also be other risks that we are unable to predict at this time. Any of these risks and uncertainties may cause actual results to differ materially from the results discussed in the forward-looking statements.

Executive Overview

General

Humana Inc., headquartered in Louisville, Kentucky, is a leading U.S. healthcare company. Through our Humana insurance services and our CenterWell healthcare services, we make it easier for the millions of people we serve to achieve their best health – delivering the care and service they need, when they need it. These efforts are leading to a better quality of life for people with Medicare and Medicaid, families, individuals, military service personnel, and communities at large.

Our industry relies on two key statistics to measure performance. The benefit ratio, which is computed by taking total benefits expense as a percentage of premiums revenue, represents a statistic used to measure underwriting profitability. The operating cost ratio, which is computed by taking total operating costs, excluding depreciation and amortization, as a percentage of total revenues less investment income, represents a statistic used to measure administrative spending efficiency.

Strategic Joint Venture with BlackRock

In October 2026, we entered into a new joint venture agreement with funds and accounts managed by HPS Investment Partners, a part of BlackRock (BlackRock), to manage and operate our primary care strategic partnership which sat within joint ventures owned by funds affiliated with Welsh, Carson, Anderson & Stowe (WCAS) and CenterWell. The new joint venture, majority owned by BlackRock and minority owned by CenterWell, has replaced the current CenterWell and WCAS joint ventures. BlackRock acquired WCAS's current equity ownership, valued at approximately $2.8 billion, with modifications to terms extending the call period to begin in 2028 and removing the put option. Over the next two years, the new joint venture has available committed capital from BlackRock and CenterWell, which is expected to be used to fund existing clinical operations, establish new clinics, and expand the network through strategic acquisitions.

MaxHealth Acquisition

On February 13, 2026, we acquired MaxHealth, a leading primary care platform focused on providing high-quality, integrated care to adults and senior patients throughout Florida, for cash consideration of approximately $908 million, net of cash acquired. This resulted in a preliminary purchase price allocation to goodwill of approximately $800 million, other intangible assets of $71 million, and net tangible assets acquired of $59 million. The other intangible assets, which primarily consist of member relationships and trade names, have an estimated weighted average useful life of 6.9 years. The purchase price allocation is preliminary, subject to completion of valuation analysis.

Value Creation Initiatives and Impairment Charges

In order to create capacity to fund growth in our businesses, we committed to drive additional value for the enterprise through cost saving and productivity initiatives. In addition, in response to sustained macroeconomic, regulatory and competitive pressures impacting the industry, we initiated a substantial multi-year transformation program designed to re-align our cost structure, operating model and technology footprint with evolving market conditions.

As a result of these initiatives, we recorded charges of $25 million and $179 million for the three and nine months ended September 30, 2026, respectively, and $267 million and $320 million for the three and nine months ended September 30, 2025, respectively, within operating costs in the consolidated statements of income. The charges primarily relate to severance and associate exit costs, asset impairments and external consulting expenses incurred to execute the program. We expect to incur additional charges over the course of the program.

In addition, we recorded impairment charges related to minority-interest investments of $3 million and $24 million within net investment income in our condensed consolidated statements of income for the three and nine months ended September 30, 2026, respectively, and $32 million relating to indefinite-lived intangible assets, within operating costs in our condensed consolidated statements of income for the nine months ended September 30, 2025.

Business Segments

Our two reportable segments, Insurance and CenterWell, are based on a combination of the type of health plan customer and adjacent businesses centered on well-being solutions for our health plans and other customers, as described below. Our Chief Executive Officer, the Chief Operating Decision Maker, utilizes these segment groupings and results of each segment, measured by income (loss) from operations, to assess performance and allocate resources primarily during our annual budget process and periodic forecast updates.

The Insurance segment consists of Medicare benefits, marketed to individuals or directly via group Medicare accounts, as well as our stand-alone prescription drug plans, or PDP, and contracts with various states to provide Medicaid, and Long-Term Support Services benefits, which we refer to collectively as our state-based contracts. This segment also includes products consisting of specialty health insurance benefits marketed to individuals and employer groups, including dental, vision, and other supplemental health benefits. In addition, our Insurance segment includes our Military services business as well as the operations of our PBM business.

The CenterWell segment includes our pharmacy solutions, primary care, and home solutions operations. Services offered by this segment are designed to enhance the overall healthcare experience. These services may lead to lower utilization associated with improved member health and/or lower drug costs.

Transactions between reportable segments primarily consist of sales of products and services rendered by our CenterWell segment, primarily pharmacy solutions, primary care, and home solutions, to our Insurance segment customers. Intersegment sales and expenses are recorded primarily at fair value and eliminated in consolidation. Members served by our segments often use the same provider networks, enabling us in some instances to obtain more favorable contract terms with providers. Our segments also share indirect costs and assets. As a result, the profitability of each segment is interdependent. We allocate most operating expenses to our segments. Assets and certain corporate income and expenses are not allocated to the segments, including the portion of investment income not supporting segment operations, interest expense on corporate debt, and certain other corporate expenses. These items are managed at a corporate level. These corporate amounts are reported separately from our reportable segments and are included with intersegment eliminations.

Seasonality

Our Medicare benefit costs rise as members pay their contractual portion of claims responsibility, progress through their annual deductible and maximum out-of-pocket expenses, as well as incurring higher episodic cost of care resulting in a higher benefit ratio throughout the year.

Our quarterly Insurance segment earnings and operating cash flows are impacted by the Medicare Part D benefit design and changes in the composition of our stand-alone PDP membership. The Medicare Part D benefit design results in coverage that varies as a member's cumulative out-of-pocket costs pass through successive stages of a member's plan period, which begins annually on January 1 for renewals. The benefit design changes associated with the implementation of the Inflation Reduction Act of 2022, or IRA, reduced out-of-pocket costs for beneficiaries, resulting in greater cost sharing and a leveling of net prescription costs throughout the year. In addition, the number of low income senior members as well as year-over-year changes in the mix of membership in our stand-alone PDP products affects the quarterly benefit ratio pattern.

The Insurance segment also experiences seasonality in the operating cost ratio as a result of costs incurred in the second half of the year associated with the Medicare marketing season.

2026 Highlights

- Our strategy is to offer our members affordable health care combined with a positive consumer experience in growing markets. At the core of this strategy is our integrated care delivery model, which unites quality care, high member engagement, and sophisticated data analytics. Our approach to primary, physician-directed care for our members aims to provide quality care that is consistent, integrated, cost-effective, and member-focused, provided by both employed physicians and physicians with network contract arrangements. The model is designed to improve health outcomes and affordability for individuals and for the health system as a whole, while offering our members a simple, seamless healthcare experience. We believe this strategy is positioning us for long-term growth in both membership and earnings. We offer providers a continuum of opportunities to increase the integration of care and offer assistance to providers in transitioning from a fee-for-service to a value-based arrangement. These include performance bonuses, shared savings and shared risk relationships. At September 30, 2026, approximately 4,123,700 members, or 64%, of our individual Medicare Advantage members were in value-based relationships under our integrated care delivery model, as compared to 3,553,000 members, or 68%, at September 30, 2025.

- Net income attributable to Humana was $162 million, or $1.33 per diluted common share, and $195 million, or $1.62 per diluted common share, for the three months ended September 30, 2026 and 2025, respectively. Net income attributable to Humana was $2.0 billion, or $16.84 per diluted common share, and $2.0 billion, or $16.43 per diluted common share, for the nine months ended September 30, 2026 and 2025, respectively. These comparisons were impacted by put/call valuation adjustments associated with non-consolidating minority interest investments, charges associated with value creation initiatives, impairment charges, loss on sale of business and settlement of certain litigation expenses. The impact of these adjustments to our consolidated income before income taxes and equity in net losses and diluted earnings per common share was as follows for the 2026 and 2025 quarters and periods:

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Consolidated income before income taxes and equity in net losses:				
Put/call valuation adjustments associated with our non-consolidating minority interest investments	$ (358)	$ 97	$ (181)	$ 460
Value creation initiatives	25	267	179	320
Impairment charges	3	—	24	32
Settlement of certain litigation expenses	—	15	—	15
Loss on sale of business	—	63	—	63
Total	$ (330)	$ 442	$ 22	$ 890

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	2026	2025
Diluted earnings per common share:				
Put/call valuation adjustments associated with our non-consolidating minority interest investments	$ (2.94)	$ 0.80	$ (1.49)	$ 3.81
Value creation initiatives	0.21	2.21	1.48	2.65
Impairment charges	0.03	—	0.20	0.27
Settlement of certain litigation expenses	—	0.13	—	0.13
Loss on sale of business	—	0.52	—	0.52
Cumulative net tax impact	0.62	(1.72)	(0.04)	(2.58)
Total	$ (2.08)	$ 1.94	$ 0.15	$ 4.80

Regulatory Environment

We are and will continue to be regularly subject to new laws and regulations, changes to existing laws and regulations, and judicial determinations that impact the interpretation and applicability of those laws and regulations. The Health Care Reform Law, the Families First Act, the CARES Act, and the Inflation Reduction Act, and related regulations, are examples of laws which have enacted significant reforms to various aspects of the U.S. health insurance industry, including, among others, mandated coverage requirements, mandated benefits and guarantee issuance associated with insurance products, rebates to policyholders based on minimum benefit ratios, adjustments to Medicare Advantage premiums, the establishment of federally facilitated or state-based exchanges coupled with programs designed to spread risk among insurers, and the introduction of plan designs based on set actuarial values, and changes to the Part D prescription drug benefit design.

It is reasonably possible that these laws and regulations, as well as other current or future legislative, judicial or regulatory changes including restrictions on our ability to manage our provider network, manage and sell our products, or otherwise operate our business, or restrictions on profitability, including reviews by regulatory bodies that may compare our Medicare Advantage profitability to our non-Medicare Advantage business profitability, or compare the profitability of various products within our Medicare Advantage business, and require that they remain within certain ranges of each other, increases in member benefits or changes to member eligibility criteria without corresponding increases in premium payments to us, further restrictions on ownership structure, service arrangements, or fee payments between intercompany or vertically-integrated assets, increases in regulation of our prescription drug benefit businesses, reductions in reimbursement rates, or changes to the Part D prescription drug benefit design (and uncertainty arising from the implementation of these changes) in the aggregate may have a material adverse effect on our results of operations (including restricting revenue, enrollment and premium growth in certain products and market segments, restricting our ability to expand into new markets, increasing our medical

and operating costs, further lowering our Medicare payment rates and increasing our expenses associated with assessments); our financial position (including our ability to maintain the value of our goodwill); and our cash flows.

We intend for the discussion of our financial condition and results of operations that follows to assist in the understanding of our financial statements and related changes in certain key items in those financial statements from year to year, including the primary factors that accounted for those changes. Transactions between reportable segments primarily consist of sales of products and services rendered by our CenterWell segment, primarily pharmacy solutions, primary care, and home solutions, to our Insurance segment customers and are described in Note 14 to the condensed consolidated financial statements included in this report.

Comparison of Results of Operations for 2026 and 2025

The following discussion primarily deals with our results of operations for the three months ended September 30, 2026, or the 2026 quarter, the three months ended September 30, 2025, or the 2025 quarter, the nine months ended September 30, 2026, or the 2026 period, and the nine months ended September 30, 2025, or the 2025 period.

	Three months ended September 30,		Nine months ended September 30,		Change: Three months ended September 30, 2026 vs 2025		Change: Nine months ended September 30, 2026 vs 2025	
	2026	2025	2026	2025	$	%	$	%
	($ in millions, except per common share results)							
Revenues:								
Insurance premiums	$38,701	$30,711	$115,244	$91,941	$ 7,990	26.0%	$23,303	25.3%
Services:								
Insurance	254	267	700	725	(13)	(4.9)%	(25)	(3.4)%
CenterWell	1,871	1,333	4,880	3,609	538	40.4%	1,271	35.2%
Corporate	—	—	2	—	—	—%	2	NM
Total services revenue	2,125	1,600	5,582	4,334	525	32.8%	1,248	28.8%
Net investment income	329	338	844	874	(9)	(2.7)%	(30)	(3.4)%
Total revenues	41,155	32,649	121,670	97,149	8,506	26.1%	24,521	25.2%
Operating expenses:								
Benefits	36,324	27,991	105,401	82,091	8,333	29.8%	23,310	28.4%
Operating costs	4,598	4,085	12,600	11,012	513	12.6%	1,588	14.4%
Depreciation and amortization	158	173	480	534	(15)	(8.7)%	(54)	(10.1)%
Total operating expenses	41,080	32,249	118,481	93,637	8,831	27.4%	24,844	26.5%
Income from operations	75	400	3,189	3,512	(325)	(81.3)%	(323)	(9.2)%
Loss on sale of business	—	63	—	63	(63)	NM	(63)	NM
Interest expense	217	168	607	485	49	29.2%	122	25.2%
Other (income) expense, net	(358)	35	(181)	398	393	NM	579	NM
Income before income taxes and equity in net losses	216	134	2,763	2,566	82	61.2%	197	7.7%
Provision (benefit) for income taxes	40	(86)	673	499	126	146.5%	174	34.9%
Equity in net losses	(15)	(26)	(52)	(88)	11	42.3%	36	40.9%
Net income	$ 161	$ 194	$ 2,038	$ 1,979	$ (33)	(17.0)%	$ 59	3.0%
Diluted earnings per common share	$ 1.33	$ 1.62	$ 16.84	$ 16.43	$ (0.29)	(17.9)%	$ 0.41	2.5%
Benefit ratio (a)	93.9%	91.1%	91.5%	89.3%		2.8%		2.2%
Operating cost ratio (b)	11.3%	12.6%	10.4%	11.4%		(1.3)%		(1.0)%
Effective tax rate	19.7%	(77.3)%	24.8%	20.1%		97.0%		4.7%

(a) Represents benefits expense as a percentage of premiums revenue.
(b) Represents operating costs, excluding depreciation and amortization, as a percentage of total revenues less net investment income.
NM - not meaningful.

Premiums Revenue

Consolidated premiums revenue increased $8.0 billion, or 26.0%, from $30.7 billion in the 2025 quarter to $38.7 billion in the 2026 quarter and increased $23.3 billion, or 25.3%, from $91.9 billion in the 2025 period to $115.2 billion in the 2026 period primarily reflecting membership growth across the Medicare businesses in 2026, higher per member individual Medicare Advantage (MA) and stand-alone PDP premiums largely driven by an

increase in MA benchmark funding from the Centers for Medicare and Medicaid Services (CMS) and the increased Part D direct subsidy as a result of the Inflation Reduction Act (IRA). These factors were partially offset by the previously disclosed Bonus Year (BY) 2026 Star Ratings headwind.

Services Revenue

Consolidated services revenue increased $0.5 billion, or 32.8%, from $1.6 billion in the 2025 quarter to $2.1 billion in the 2026 quarter and increased $1.2 billion, or 28.8%, from $4.3 billion in the 2025 period to $5.6 billion in the 2026 period primarily reflecting the increased payor-agnostic client base across the CenterWell platform partially offset by the final year of the phase-in of the v28 risk model revision.

Net Investment Income

Net investment income decreased $9 million, or 2.7%, from $338 million in the 2025 quarter to $329 million in the 2026 quarter and decreased $30 million, or 3.4%, from $874 million in the 2025 period to $844 million in the 2026 period.

Benefits Expense

Consolidated benefits expense increased $8.3 billion, or 29.8%, from $28.0 billion in the 2025 quarter to $36.3 billion in the 2026 quarter and increased $23.3 billion, or 28.4%, from $82.1 billion in the 2025 period to $105.4 billion in the 2026 period. The consolidated benefit ratio increased 280 basis points from 91.1% for the 2025 quarter to 93.9% for the 2026 quarter and increased 220 basis points from 89.3% for the 2025 period to 91.5% for the 2026 period primarily reflecting the BY 2026 Star Ratings revenue headwind, the effect of the individual MA membership growth as the new members, on average, run at a higher benefit ratio as compared to retained members (excluding the impact of the BY 2026 Star Ratings headwind) and the anticipated lower favorable prior-period medical claims reserve development in 2026. These factors were partially offset by the 2026 individual MA pricing, inclusive of the MA funding environment (excluding the BY 2026 Star Ratings headwind) combined with our ongoing clinical excellence efforts, more than offsetting the assumption of claims trend (with largely stable benefits year-over-year), and the benefit of our group MA recontracting efforts for the 2026 plan year.

Consolidated benefits expense included $67 million of favorable prior-period medical claims reserve development in the 2026 quarter and $275 million of favorable prior-period medical claims development in the 2025 quarter. Consolidated benefits expense included $509 million of favorable prior-period medical claims reserve development in the 2026 period and $913 million of favorable prior-period medical claims reserve development in the 2025 period. This development does not directly correspond to our operating results as a portion is attributable to provider risk-sharing arrangements, which are accounted for separately based on contractual terms.

Operating Costs

Our segments incur both direct and shared indirect operating costs. We allocate the indirect costs shared by the segments primarily as a function of revenues. As a result, the profitability of each segment is interdependent.

Consolidated operating costs increased $0.5 billion, or 12.6%, from $4.1 billion in the 2025 quarter to $4.6 billion in the 2026 quarter and increased $1.6 billion, or 14.4%, from $11.0 billion in the 2025 period to $12.6 billion in the 2026 period. The consolidated operating cost ratio decreased 130 basis points from 12.6% for the 2025 quarter to 11.3% for the 2026 quarter and decreased 100 basis points from 11.4% for the 2025 period to 10.4% for the 2026 period primarily reflecting operating leverage associated with increased revenues from membership growth across the Medicare businesses in 2026 combined with an improved MA benchmark funding rate and increased Part D direct subsidy resulting from the IRA, progress on our previously discussed tactical cost cutting and transformation initiatives combined with the beneficial impact of our prior value creation initiatives that have driven administrative cost efficiencies, as well as lower charges associated with value creation initiatives in 2026. These factors were partially offset by the impact of the previously disclosed BY 2026 Star Ratings headwind and a higher CenterWell operating cost ratio during the 2026 quarter and period.

Depreciation and Amortization

Depreciation and amortization decreased $15 million, or 8.7%, from $173 million in the 2025 quarter to $158 million in the 2026 quarter and decreased $54 million, or 10.1%, from $534 million in the 2025 period to $480 million in the 2026 period primarily due to decreased capital spending in prior periods.

Interest Expense

Interest expense increased $49 million, or 29.2%, from $168 million in the 2025 quarter to $217 million in the 2026 quarter and increased $122 million, or 25.2%, from $485 million in the 2025 period to $607 million in the 2026 period primarily due to financing costs, including liquidity and capital management measures for 2026, and higher average debt balances.

Other (Income) Expense, Net

Other (income) expense, net increased $393 million from other expense, net of $35 million in the 2025 quarter to other income, net of $358 million in the 2026 quarter and increased $579 million from other expense, net of $398 million in the 2025 period to other income, net of $181 million due to change in fair value of the put and call options associated with our primary care strategic partnership with WCAS.

Income Taxes

The effective income tax rate was 19.7% and (77.3)% for the three months ended September 30, 2026 and 2025, respectively, and 24.8% and 20.1% for the nine months ended September 30, 2026 and 2025, respectively. The 2026 quarter and period effective income tax rate increase is primarily attributable to a tax benefit recognized in the prior year in connection with the sale of a business, which did not recur in the current year.

Insurance Segment

	September 30,		Change	
	2026	2025	Members	%
Membership:				
Individual Medicare Advantage	6,456,900	5,237,300	1,219,600	23.3 %
Group Medicare Advantage	728,300	569,800	158,500	27.8 %
Medicare stand-alone PDP	4,027,500	2,446,200	1,581,300	64.6 %
Total Medicare	11,212,700	8,253,300	2,959,400	35.9 %
Medicare Supplement	570,900	474,700	96,200	20.3 %
State-based contracts and other	1,614,100	1,658,800	(44,700)	(2.7)%
Military services	4,641,000	4,605,400	35,600	0.8 %
Total Medical Membership	18,038,700	14,992,200	3,046,500	20.3 %
Total Specialty Membership	5,411,400	4,710,800	700,600	14.9 %

Members may not be unique to each product since members have the ability to enroll in more than one product.

	Three months ended September 30,		Nine months ended September 30,		Change			
					Three months ended September 30, 2026 vs 2025		Nine months ended September 30, 2026 vs 2025	
	2026	2025	2026	2025	$	%	$	%
	($ in millions)							
Premiums and Services Revenue:								
Premiums:								
Individual Medicare Advantage	$28,619	$22,456	$85,746	$67,901	$ 6,163	27.4%	$17,845	26.3%
Group Medicare Advantage	2,793	2,240	8,555	6,822	553	24.7%	1,733	25.4%
Medicare stand-alone PDP	3,014	1,755	8,626	4,924	1,259	71.7%	3,702	75.2%
Total Medicare	34,426	26,451	102,927	79,647	7,975	30.2%	23,280	29.2%
Specialty benefits	271	248	807	738	23	9.3%	69	9.3%
Medicare Supplement	363	283	1,036	799	80	28.3%	237	29.7%
State-based contracts and other	3,641	3,729	10,474	10,757	(88)	(2.4)%	(283)	(2.6)%
Premiums revenue	38,701	30,711	115,244	91,941	7,990	26.0%	23,303	25.3%
Services:								
Military services and other	254	267	700	725	(13)	(4.9)%	(25)	(3.4)%
Services revenue	254	267	700	725	(13)	(4.9)%	(25)	(3.4)%
Total external revenues	$38,955	$30,978	$115,944	$92,666	$ 7,977	25.8%	$23,278	25.1%
(Loss) income from operations	$ (303)	$ 251	$ 1,952	$ 2,591	$ (554)	(220.7)%	$ (639)	(24.7)%
Benefit ratio	93.7%	91.1%	91.4%	89.5%		2.6%		1.9%
Operating cost ratio	7.7%	9.1%	7.4%	8.5%		(1.4)%		(1.1)%

(Loss) Income from Operations

Insurance segment (loss) income from operations decreased $554 million, or 220.7%, from income from operations of $251 million in the 2025 quarter to loss from operations of $303 million in the 2026 quarter and decreased $0.64 billion, or 24.7%, from income from operations of $2.59 billion in the 2025 period to income from operations of $1.95 billion in the 2026 period primarily due to the same factors impacting the Insurance segment's benefit and operating cost ratios as more fully described below.

Enrollment

Individual Medicare Advantage membership increased 1,219,600 members, or 23.3%, from September 30, 2025 to September 30, 2026 reflecting net membership gains during the 2026 annual enrollment period (AEP) and open enrollment period (OEP). Individual Medicare Advantage membership includes 958,300 D-SNP members as of September 30, 2026, a net increase of 192,500 D-SNP members, or 25.1%, from 765,800 D-SNP members as of September 30, 2025.

Group Medicare Advantage membership increased 158,500 members, or 27.8%, from September 30, 2025 to September 30, 2026 reflecting net membership additions from the 2026 selling season.

Medicare stand-alone PDP membership increased 1,581,300 members, or 64.6%, from September 30, 2025 to September 30, 2026 reflecting net membership additions from group MA recontracting efforts and the 2026 selling season.

State-based contracts and other membership decreased 44,700 members, or 2.7%, from September 30, 2025 to September 30, 2026 primarily reflecting shift in other membership offset by net membership additions in state-based contracts.

Specialty membership increased 700,600 members, or 14.9%, from September 30, 2025 to September 30, 2026 primarily reflecting growth in group membership from new contracts.

Premiums Revenue

Insurance segment premiums revenue increased $8.0 billion, or 26.0%, from $30.7 billion in the 2025 quarter to $38.7 billion in the 2026 quarter and increased $23.3 billion, or 25.3%, from $91.9 billion in the 2025 period to $115.2 billion in the 2026 period primarily reflecting membership growth across the Medicare businesses in 2026, higher per member individual MA and stand-alone PDP premiums largely driven by an increase in MA benchmark funding from CMS and the increased Part D direct subsidy as a result of the IRA. These factors were partially offset by the BY 2026 Star Ratings headwind.

Services Revenue

Insurance segment services revenue decreased $13 million, or 4.9%, from $267 million in the 2025 quarter to $254 million in the 2026 quarter and decreased $25 million, or 3.4%, from $725 million in the 2025 period to $700 million in the 2026 period.

Benefits Expense

The Insurance segment benefit ratio increased 260 basis points from 91.1% for the 2025 quarter to 93.7% for the 2026 quarter and increased 190 basis points from 89.5% for the 2025 period to 91.4% for the 2026 period primarily reflecting the BY 2026 Star Ratings revenue headwind, the effect of the individual MA membership growth as the new members, on average, run at a higher benefit ratio as compared to retained members (excluding the impact of the BY 2026 Star Ratings headwind) and the anticipated lower favorable prior-period medical claims reserve development in 2026. These factors were partially offset by the 2026 individual MA pricing, inclusive of the MA funding environment (excluding the BY 2026 Star Ratings headwind) combined with our ongoing clinical excellence efforts, more than offsetting the assumption of claims trend (with largely stable benefits year-over-year), and the benefit of our group Medicare Advantage recontracting efforts for the 2026 plan year.

Operating Costs

The Insurance segment operating cost ratio decreased 140 basis points from 9.1% for the 2025 quarter to 7.7% for the 2026 quarter and decreased 110 basis points from 8.5% for the 2025 period to 7.4% for the 2026 period primarily reflecting operating leverage associated with increased revenues from membership growth across the Medicare businesses in 2026 combined with an improved MA benchmark funding rate and increased Part D direct subsidy resulting from the IRA, as well as the progress on our previously discussed tactical cost cutting and transformation initiatives combined with the beneficial impact of prior value creation initiatives that have driven administrative cost efficiencies. These factors were partially offset by the impact of the previously disclosed BY 2026 Star Ratings headwind.

CenterWell Segment

	Three months ended September 30,		Nine months ended September 30,		Change			
					Three months ended September 30, 2026 vs 2025		Nine months ended September 30, 2026 vs 2025	
	2026	2025	2026	2025	$	%	$	%
	($ in millions)							
Revenues:								
Services:								
Home solutions	$ 359	$ 354	$ 1,062	$ 1,049	$ 5	1.4%	$ 13	1.2%
Pharmacy solutions	564	352	1,243	951	212	60.2%	292	30.7%
Primary care	948	627	2,575	1,609	321	51.2%	966	60.0%
Total external revenues	1,871	1,333	4,880	3,609	538	40.4%	1,271	35.2%
Intersegment revenues:								
Home solutions	521	531	1,833	1,591	(10)	(1.9)%	242	15.2%
Pharmacy solutions	3,567	3,078	9,833	8,458	489	15.9%	1,375	16.3%
Primary care	1,198	937	3,501	2,853	261	27.9%	648	22.7%
Intersegment revenues	5,286	4,546	15,167	12,902	740	16.3%	2,265	17.6%
Total revenues	$ 7,157	$ 5,879	$20,047	$16,511	$ 1,278	21.7%	$ 3,536	21.4%
Income from operations	$ 243	$ 305	$ 998	$ 1,041	$ (62)	(20.3)%	$ (43)	(4.1)%
Operating cost ratio	95.9%	93.9%	94.3%	92.7%		2.0%		1.6%

Income from Operations

CenterWell income from operations decreased $62 million, or 20.3%, from $305 million in the 2025 quarter to $243 million in the 2026 quarter and decreased $0.04 billion, or 4.1%, from $1.04 billion in the 2025 period to $1.00 billion in the 2026 period primarily due to the same factors impacting the CenterWell segment's revenue and operating cost ratio as more fully described below.

Services Revenue

CenterWell external services revenue increased $0.5 billion, or 40.4%, from $1.3 billion in the 2025 quarter to $1.9 billion in the 2026 quarter and increased $1.3 billion, or 35.2%, from $3.6 billion in the 2025 period to $4.9 billion in the 2026 period primarily reflecting the continued expansion of our payor-agnostic client base, primarily associated with the primary care and pharmacy businesses as a result of recent acquisitions and strategic growth initiatives, partially offset by the final year of the phase-in of the v28 risk model revision.

Intersegment Revenue

CenterWell intersegment revenues increased $0.7 billion, or 16.3%, from $4.5 billion in the 2025 quarter to $5.3 billion in the 2026 quarter and increased $2.3 billion, or 17.6%, from $12.9 billion in the 2025 period to $15.2 billion in the 2026 period primarily due to higher revenues associated with growth across the CenterWell business lines resulting from increased Medicare membership in 2026.

Operating Costs

The CenterWell segment operating cost ratio increased 200 basis points from 93.9% for the 2025 quarter to 95.9% for the 2026 quarter and increased 160 basis points from 92.7% for the 2025 period to 94.3% for the 2026 period primarily due to the impact of the final year of the phase-in of the v28 risk model revision, higher costs within the primary care business, primarily concentrated to a group of specific patients in a single geography, driven by patient and plan mix dynamics across multiple payor partners, and an increased volume within CenterWell Specialty Pharmacy, which carries a higher operating cost ratio than the traditional pharmacy business. These factors were partially offset by the continued maturation of the v28 mitigation activities within the primary care business and the progress on our tactical cost cutting and transformation initiatives combined with the beneficial impact of prior value creation initiatives that have driven administrative cost efficiencies. The year-over-year period comparison further reflected the anticipated headwind in the first quarter of 2026 associated with a primary care acquisition in the fourth quarter of 2025, as well as one-time transaction and integration costs associated with the acquisition of MaxHealth in the first quarter of 2026.

Liquidity

Historically, our primary sources of cash have included receipts of premiums, services revenue, and investment and other income, as well as proceeds from the sale or maturity of our investment securities, and borrowings. Our primary uses of cash historically have included disbursements for claims payments, operating costs, interest on borrowings, taxes, purchases of investment securities, acquisitions, capital expenditures, repayments on borrowings, dividends, and share repurchases. As premiums generally are collected in advance of claim payments by a period of up to several months, our business normally should produce positive cash flows during periods of increasing premiums and enrollment. Conversely, cash flows would be negatively impacted during periods of decreasing premiums and enrollment. From period to period, our cash flows may also be affected by the timing of working capital items including premiums receivable, benefits payable, and other receivables and payables. Our cash flows are impacted by the timing of payments to and receipts from CMS associated with Medicare Part D subsidies for which we do not assume risk. The use of cash flows may be limited by regulatory requirements of state departments of insurance (or comparable state regulators) which require, among other items, that our regulated subsidiaries maintain minimum levels of capital and seek approval before paying dividends from the subsidiaries to the parent. Our use of cash flows derived from our non-insurance subsidiaries, such as in our CenterWell segment, is generally not restricted by state departments of insurance (or comparable state regulators).

For additional information regarding our liquidity risk, refer to Part I, Item 1A, "Risk Factors" in our 2025 Form 10-K and Part II, Item 1A, "Risk Factors" of this Form 10-Q.

Cash and cash equivalents increased to approximately $6.9 billion at September 30, 2026 from $4.2 billion at December 31, 2025. The change in cash and cash equivalents for the nine months ended September 30, 2026 and 2025 is summarized as follows:

	Nine months ended September 30,	
	2026	2025
	(in millions)	
Net cash provided by operating activities	$ 5,383	$ 2,573
Net cash (used in) provided by investing activities	(4,895)	1,641
Net cash provided by (used in) financing activities	2,247	(1,047)
Increase in cash and cash equivalents	$ 2,735	$ 3,167

Cash Flow from Operating Activities

Cash flows provided by operations of $5.4 billion in the 2026 period increased $2.8 billion from cash flows provided by operations of $2.6 billion in the 2025 period. The increase in our operating cash flows was the result of favorable working capital activity, primarily associated with an increase in the IBNR balance and collection of receivables, combined with a modest increase in earnings. We expect significant operating cash outflows in the remainder of 2026 as our results from operations and working capital are impacted by seasonal patterns. For more information, refer to Seasonality under Executive Overview included in this report.

The most significant drivers of changes in our working capital are typically the timing of payments of benefits expense and receipts for premiums. Benefits expense includes claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care and other supplemental benefits provided on or prior to the balance sheet date. For additional information regarding our benefits payable and benefits expense recognition, refer to Note 2 to the audited Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" in our 2025 Form 10-K.

The detail of total net receivables at September 30, 2026 and December 31, 2025 and reconciliation to cash flow for the nine months ended September 30, 2026 and 2025 was as follows:

	September 30, 2026	December 31, 2025	2026 Period Change	2025 Period Change
		(in millions)		
Medicare	$ 1,928	$ 2,209	$ (281)	$ (56)
State-based contracts	669	705	(36)	55
Military services	94	163	(69)	(45)
Other	270	299	(29)	52
Allowances	(96)	(106)	10	(26)
Total net receivables	$ 2,865	$ 3,270	$ (405)	$ (20)
Reconciliation to cash flow statement:				
Receivables (acquired) disposed			(34)	4
Change in receivables per cash flow statement			$ (439)	$ (16)

The change in Medicare receivables for the 2026 period and 2025 period reflects the typical pattern caused by the timing of accruals and related collections associated with the CMS risk-adjustment model. Significant collections occur with the mid-year and final settlements with CMS in the second and third quarters.

Cash Flow from Investing Activities

During the 2026 period, we acquired MaxHealth for cash consideration of approximately $908 million, net of cash acquired. We acquired and disposed of other businesses that individually or in the aggregate did not have a material impact on our results of operations, financial conditions or cash flows during the 2026 and 2025 periods.

Our ongoing capital expenditures primarily relate to our information technology initiatives, support of services in our primary care operations including medical and administrative facility improvements necessary for activities such as the provision of care to members, claims processing, billing and collections, wellness solutions, care coordination, regulatory compliance and customer service. Total net capital expenditures, excluding acquisitions, were $390 million in the 2026 period and $344 million in the 2025 period.

Net purchases of investment securities were $3.5 billion in the 2026 period and net proceeds of investment securities were $1.9 billion in the 2025 period.

Cash Flow from Financing Activities

Claim payments were higher than receipts from CMS associated with Medicare Part D claim subsidies for which we do not assume risk by $261 million and $1.2 billion in the 2026 and 2025 periods, respectively.

Under our administrative services only TRICARE contracts, reimbursements from the federal government exceeded health care costs payments for which we do not assume risk by $77 million in the 2026 period and health care costs payments for which we do not assume risk exceeded reimbursements from the federal government by $8 million in the 2025 period.

Effective July 1, 2026, we began serving as the central processor for the Medicare GLP-1 Bridge (the Program), a time-limited CMS demonstration that provides eligible Medicare Part D beneficiaries access to certain GLP-1 medications for weight management outside of the Medicare Part D benefit coverage and payment flow. Under the Program, we administer prior authorizations, process claims, facilitate payments to dispensing pharmacies, invoice participating manufacturers, and perform related reconciliation and reporting activities. CMS bears the underlying drug-cost risk, and we do not assume insurance risk for the related claims. Accordingly, CMS funding and CMS-funded claims are accounted for as contract deposits in our condensed consolidated balance sheets and are not recognized as revenues or expenses in our condensed consolidated statements of income. Manufacturer rebate receivables attributable to CMS are recorded separately, with corresponding amounts reflected in the Due to CMS settlement liability. As of September 30, 2026, other current assets included $0.7 billion of manufacturer rebate receivables related to the Program, and trade accounts payable and accrued expenses included $2.7 billion related to the Due to CMS settlement liability in our condensed consolidated balance sheets. Related cash receipts and payments are presented within Receipts (payments) from contract deposits, net in financing activities in our condensed consolidated statements of cash flows. During both the three and nine months ended September 30, 2026, net receipts from contract deposits related to the Program were $2.0 billion.

In March 2026, we issued $1.0 billion in aggregate principal amount of 6.625% fixed-to-fixed rate junior subordinated notes (Subordinated Notes) due September 15, 2056, which resulted in approximately $990 million of net proceeds after deducting underwriters' discounts and offering expenses. We used the net proceeds from this offering for general corporate purposes, including repayment of borrowings under our commercial paper program.

In March 2026, we entered into a Rule 10b5-1 Repurchase Plan. For the period ended September 30, 2026, we repurchased $44 million of the principal amount of the 1.350% senior notes maturing in February 2027 for approximately $43 million cash, $37 million of the principal amount of the 3.950% senior notes maturing in March 2027 for approximately $37 million cash, $61 million of the principal amount of the 3.700% senior notes maturing in March 2029 for approximately $59 million cash, $50 million of the principal amount of the 3.125% senior notes maturing in August 2029 for approximately $48 million cash and $108 million of the principal amount of the 2.150% senior notes maturing in February 2032 for approximately $94 million cash.

In August 2026, we received a short-term cash advance of $100 million from FHLB with certain of our marketable securities as collateral, which remained outstanding as of September 30, 2026.

In March 2025, we issued $750 million of 5.550% unsecured senior notes due May 1, 2035, $500 million of 6.000% unsecured senior notes due May 1, 2055, and an additional $250 million of our existing 5.375% unsecured senior notes due April 15, 2031. Our net proceeds, reduced for the underwriters' discounts and commissions paid, were $1.481 billion. We used the net proceeds of these offerings to repay outstanding amounts from the 4.500% Senior Notes due on April 1, 2025. The remaining net proceeds were used for general corporate purposes, which may include the repayment of our existing indebtedness, including borrowings under our commercial paper program.

In May 2025, we entered into a Rule 10b5-1 Repurchase Plan to repurchase a portion of our $750 million aggregate principal amount of 1.350% senior notes maturing in February 2027 and a portion of our $600 million aggregate principal amount of 3.950% senior notes maturing in March 2027 during the period beginning on May 1, 2025 and ending on August 29, 2025. For the period ended September 30, 2025, we repurchased $200 million principal amount of these senior notes for approximately $194 million cash.

Under our securities lending program, we loan certain investment securities for short periods of time in exchange for collateral. Net proceeds from the securities lending program were $179 million and $141 million in the 2026 period and 2025 period, respectively. Under the uncommitted receivables purchase facility certain pharmaceutical rebate receivables may be sold on a non-recourse basis to a financial institution. In the 2026 period there were no net repayments from the uncommitted receivables purchase facility. In the 2025 period net repayments from the uncommitted receivables purchase facility were $123 million.

We repurchased common shares for $103 million and $100 million in the 2026 period and 2025 period, respectively, under share repurchase plans authorized by the Board of Directors. We also acquired common shares in connection with employee stock plans for $7 million and $10 million in the 2026 period and 2025 period, respectively.

We paid dividends to stockholders of $320 million and $321 million during the 2026 period and 2025 period, respectively.

Future Sources and Uses of Liquidity

Dividends

For additional information regarding our dividends to stockholders, refer to Note 10 to the unaudited Consolidated Financial Statements included in Part I, Item 1, "Financial Statements" of this Form 10-Q.

Stock Repurchases

For additional information regarding stock repurchases, refer to Note 10 to the unaudited Consolidated Financial Statements included in Part I, Item 1, "Financial Statements" of this Form 10-Q.

Debt

For additional information regarding debt, including our senior notes, junior subordinated notes, revolving credit agreements, commercial paper program and other short-term borrowings, refer to Note 12 to the unaudited Consolidated Financial Statements included in Part I, Item 1, "Financial Statements" of this Form 10-Q.

Acquisitions and Divestitures

For additional information regarding acquisitions and divestitures, refer to Note 3 to the unaudited Consolidated Financial Statements included in Part I, Item 1, "Financial Statements" of this Form 10-Q.

Liquidity Requirements

We believe our cash balances, investment securities, operating cash flows, and funds available under our credit agreement and our commercial paper program or from other public or private financing sources, taken together, provide adequate resources to fund ongoing operating and regulatory requirements, acquisitions, future expansion opportunities, and capital expenditures for at least the next twelve months, as well as to refinance or repay debt, and repurchase shares.

Adverse changes in our credit rating may increase the rate of interest we pay and may impact the amount of credit available to us in the future. Our investment-grade credit rating at September 30, 2026 was BBB according to Standard & Poor's Rating Services, or S&P, and Baa2 according to Moody's Investors Services, Inc., or Moody's. A downgrade by S&P to BB+ or by Moody's to Ba1 triggers an interest rate increase of 25 basis points with respect to $250 million of our senior notes. Successive one notch downgrades increase the interest rate an additional 25 basis points, or annual interest expense by $1 million, up to a maximum 100 basis points, or annual interest expense by $3 million.

In addition, we operate as a holding company in a highly regulated industry. Humana Inc., our parent company, is dependent upon dividends and administrative expense reimbursements from our subsidiaries, most of which are subject to regulatory restrictions. We continue to maintain significant levels of aggregate excess statutory capital and surplus in our state-regulated operating subsidiaries. Cash, cash equivalents, and short-term investments at the parent company were $0.5 billion at September 30, 2026 compared to $1.5 billion at December 31, 2025. This decrease primarily reflects cash paid for acquisitions, capital contributions to certain subsidiaries, repayments of senior notes, cash dividends to shareholders, capital expenditures, and common stock repurchases partially offset by net proceeds from the issuance of junior subordinated notes. Our use of operating cash derived from our non-insurance subsidiaries, such as our CenterWell segment, is generally not restricted by departments of insurance (or comparable state regulators).

During 2025 and 2026, we entered into agreements with unrelated insurers that do not qualify for reinsurance accounting under GAAP, and are accounted for using deposit accounting. These contracts minimize the risk of catastrophic loss, reducing capital and surplus requirements. Total deposit assets and liabilities related to these reinsurance agreements that do not qualify for reinsurance accounting under GAAP were not material at September 30, 2026.

Regulatory Requirements

Certain of our subsidiaries operate in states that regulate the payment of dividends, loans, or other cash transfers to Humana Inc., our parent company, and require minimum levels of equity as well as limit investments to approved securities. The amount of dividends that may be paid to Humana Inc. by these subsidiaries, without prior approval by state regulatory authorities, or ordinary dividends, is limited based on the entity's level of statutory income and statutory capital and surplus. If the dividend, together with other dividends paid within the preceding twelve months, exceeds a specified statutory limit or is paid from sources other than earned surplus, it is generally considered an extraordinary dividend requiring prior regulatory approval. In most states, prior notification is provided before paying a dividend even if approval is not required.

Although minimum required levels of equity are largely based on premium volume, product mix, and the quality of assets held, minimum requirements vary significantly at the state level. Based on the most recently filed statutory financial statements as of June 30, 2026, our state-regulated subsidiaries had aggregate statutory capital and surplus of approximately $15.7 billion, which exceeded aggregate minimum regulatory requirements of $8.9 billion. The amount of ordinary dividends paid to our parent company was approximately $0.6 billion during the nine months ended September 30, 2026 compared to $0.3 billion during the nine months ended September 30, 2025. The amount, timing and mix of ordinary and extraordinary dividend payments will vary due to state regulatory requirements, the level of excess statutory capital and surplus and expected future surplus requirements related to, for example, premium volume and product mix.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our earnings and financial position are exposed to financial market risk, including those resulting from changes in interest rates.

Interest rate risk also represents a market risk factor affecting our consolidated financial position due to our significant investment portfolio, consisting primarily of fixed maturity securities of investment-grade quality with a weighted average S&P credit rating of AA- at September 30, 2026. Our net unrealized position increased $0.8 billion from a net unrealized loss position of $0.8 billion at December 31, 2025 to a net unrealized loss position of $1.6 billion at September 30, 2026. At September 30, 2026, we had gross unrealized losses of $1.7 billion on our investment portfolio primarily due to an increase in market interest rates since the time the securities were purchased. We did not record any material credit allowances for debt securities that were in an unrealized loss position during the nine months ended September 30, 2026. While we believe that these unrealized losses will be recovered and we currently do not have intent to sell such securities, given the current market conditions and the significant judgments involved, there is a continuing risk that future declines in fair value may occur and material realized losses from sales or credit allowances may be recorded in future periods.

Duration is the time-weighted average of the present value of the bond portfolio's cash flow. Duration is indicative of the relationship between changes in fair value and changes in interest rates, providing a general indication of the sensitivity of the fair values of our fixed maturity securities to changes in interest rates. However, actual fair values may differ significantly from estimates based on duration. The average duration of our investment portfolio, including cash and cash equivalents, was approximately 3.2 years as of September 30, 2026 and 3.6 years as of December 31, 2025. Based on the duration, including cash equivalents, a 1% increase in interest rates would generally decrease the fair value of our securities by approximately $803 million at September 30, 2026.

Item 4. Controls and Procedures

Under the supervision and with the participation of our Chief Executive Officer, or CEO, our Chief Financial Officer, or CFO, and our Principal Accounting Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures for the quarter ended September 30, 2026.

Based on our evaluation, our CEO, CFO, and our Principal Accounting Officer concluded that our disclosure controls and procedures were effective as of September 30, 2026 to provide reasonable assurance that information the Company is required to disclose in its reports under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, including, without limitation, ensuring that such information is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

For additional information regarding legal proceedings pending against us and certain other pending or threatened litigation, investigations or other matters, refer to "Legal Proceedings and Certain Regulatory Matters" in Note 13 to the unaudited Consolidated Financial Statements included in Part I, Item 1, "Financial Statements" of this Form 10-Q.

Item 1A. Risk Factors

There have been no changes to the risk factors included in our 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) None.

(b) Not applicable.

(c) The following table provides information about our purchases of equity securities that are registered by us pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, during the three months ended September 30, 2026:

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)(2)	Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1) (2)
July 2026	—	$ —	—	$ 2,723,963,914
August 2026	—	—	—	2,723,963,914
September 2026	—	—	—	2,723,963,914
Total	—	$ —	—	

(1) Effective February 16, 2024, the Board of Directors replaced the February 2023 repurchase authorization (of which approximately $824 million remained unused) with a new share repurchase authorization for repurchases of up to $3 billion of our common shares exclusive of shares repurchased in connection with employee stock plans, expiring as of February 15, 2027, which we refer to as the 2024 repurchase authorization. Our remaining repurchase authorization was $2.7 billion as of November 5, 2026.

(2) Excludes 0.03 million shares repurchased in connection with employee stock plans.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

a. None.

b. None.

c. During the three months ended September 30, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6: Exhibits

3(i)	Restated Certificate of Incorporation of Humana Inc. filed with the Secretary of State of Delaware on November 9, 1989, as restated to incorporate the amendment of January 9, 1992, the correction of March 23, 1992, and the amendment dated April 24, 2024 (incorporated herein by reference to Exhibit 3(i) to Humana Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024).
3(ii)	Humana Inc. Amended and Restated By-laws, effective as of December 7, 2023 (incorporated herein by reference to Exhibit 3(b) to Humana Inc.'s Current Report on Form 8-K filed on December 7, 2023).
10.1	Humana Inc. 2026 Stock Incentive Plan (incorporated herein by reference to Exhibit 99.1 to Humana's Registration Statement on Form S-8 filed on April 16, 2026).
31.1	Principal Executive Officer certification pursuant to Section 302 of Sarbanes–Oxley Act of 2002.
31.2	Principal Financial Officer certification pursuant to Section 302 of Sarbanes–Oxley Act of 2002.
32	Principal Executive Officer and Principal Financial Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from Humana Inc.'s Quarterly Report on Form 10-Q formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets (Unaudited) at September 30, 2026 and December 31, 2025; (ii) the Condensed Consolidated Statements of Income (Unaudited) for the three and nine months ended September 30, 2026 and 2025; (iii) the Condensed Consolidated Statements of Comprehensive Income (Unaudited) for the three and nine months ended September 30, 2026 and 2025; (iv) the Condensed Consolidated Statements of Stockholders' Equity (Unaudited) for the three and nine months ended September 30, 2026 and 2025; (v) the Condensed Consolidated Statements of Cash Flows (Unaudited) for the nine months ended September 30, 2026 and 2025; and (vi) Notes to Condensed Consolidated Financial Statements. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File formatted in Inline XBRL and contained in Exhibit 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HUMANA INC.
(Registrant)

Date: November 6, 2026

By: /s/ JOHN-PAUL W. FELTER
John-Paul W. Felter
Senior Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)