

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500.

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan [] a DFE... B This return/report is: [] the first return/report [] the final return/report... C If the plan is a collectively-bargained plan, check here... D Check box if filing under: [X] Form 5558 [] automatic extension... E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here...

Part II Basic Plan Information—enter all requested information

1a Name of plan: BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA RETIREE MEDICAL BENEFITS PLAN
1b Three-digit plan number (PN): 501
1c Effective date of plan: 01/01/1969
2a Plan sponsor's name (employer, if for a single-employer plan): BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA
2b Employer Identification Number (EIN): 56-0894904
2c Plan Sponsor's telephone number: 919-489-7431
2d Business code (see instructions): 524140

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor BCBSNC EMPLOYEE BENEFITS ADMINISTRATION COMMITTEE PO BOX 2291 DURHAM, NC 27702	3b Administrator's EIN 56-0894904 3c Administrator's telephone number 919-489-7431
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4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
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5 Total number of participants at the beginning of the plan year	5	826
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6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year	6a(1)	
a(2) Total number of active participants at the end of the plan year	6a(2)	
b Retired or separated participants receiving benefits.....	6b	735
c Other retired or separated participants entitled to future benefits	6c	
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d	735
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e	
f Total. Add lines 6d and 6e	6f	
g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	6g(1)	
g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g(2)	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:
 4A 4D 4E

9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input checked="" type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input checked="" type="checkbox"/> General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) <input type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary (4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached _____ (5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) – Number Attached _____ (4) <input type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)
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Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA RETIREE MEDICAL BENEFITS PLAN</u>	B Three-digit plan number (PN)	<u>501</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA</u>	D Employer Identification Number (EIN) <u>56-0894904</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>BCBS PL NAT RET HEALTH BENE TRUST</u>		
b Name of sponsor of entity listed in (a): <u>BLUE CROSS AND BLUE SHIELD ASSOCIATION</u>		
c EIN-PN <u>36-7008317-001</u>	d Entity code <u>E</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>76016589</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

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e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

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a Name of MTIA, CCT, PSA, or 103-12 IE:

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d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA RETIREE MEDICAL BENEFITS PLAN	B Three-digit plan number (PN) ▶ 501
C Plan sponsor's name as shown on line 2a of Form 5500 BLUE CROSS AND BLUE SHIELD OF NORTH CAROLINA	D Employer Identification Number (EIN) 56-0894904

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

	(a) Beginning of Year	(b) End of Year
Assets		
a Total noninterest-bearing cash	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions	1b(1)	
(2) Participant contributions	1b(2)	
(3) Other	1b(3)	0
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	
(2) U.S. Government securities	1c(2)	
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred	1c(3)(A)	
(B) All other	1c(3)(B)	
(4) Corporate stocks (other than employer securities):		
(A) Preferred	1c(4)(A)	
(B) Common	1c(4)(B)	
(5) Partnership/joint venture interests	1c(5)	
(6) Real estate (other than employer real property)	1c(6)	
(7) Loans (other than to participants)	1c(7)	
(8) Participant loans	1c(8)	
(9) Value of interest in common/collective trusts	1c(9)	
(10) Value of interest in pooled separate accounts	1c(10)	
(11) Value of interest in master trust investment accounts	1c(11)	
(12) Value of interest in 103-12 investment entities	1c(12)	73939015
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	76016589
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	
(15) Other	1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	73939015	76016589
Liabilities			
g Benefit claims payable.....	1g	118720	76537
h Operating payables.....	1h	265777	167742
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	2156117	1383012
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	2540614	1627291
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	71398401	74389298

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	10778	
(B) Participants.....	2a(1)(B)	1063065	
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1073843
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		4331727
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		5405570

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)	2414673	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2414673
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses.....	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2414673

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		2990897
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: GREERWALKER

(2) EIN: 56-1434747

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? Yes No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.



GreerWalker

INDEPENDENT AUDITORS' REPORT

To the Employee Benefits Administration Committee of the Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan:

Scope and Nature of the ERISA Section 103(a)(3)(C) Audits

We have performed audits of the financial statements of the Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statements of net assets available for benefits and benefit obligations as of December 31, 2024 and 2023, the related statements of changes in net assets available for benefits and benefit obligations for the year ended December 31, 2024, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained certifications from a qualified institution as of December 31, 2024 and 2023, and for the year ended December 31, 2024, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with generally accepted accounting principles in the United States of America ("GAAP").
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with generally accepted auditing standards in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

GreerWalker LLP | GreerWalker Corporate Finance LLC | greerwalker.com

Charlotte Office The Carillon | 227 West Trade St., Suite 1100 | Charlotte, NC 28202 | USA | Tel 704.377.0239

Greenville Office Wells Fargo Center | 15 South Main St., Suite 800 | Greenville, SC 29601 | USA | Tel 864.752.0080

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters – Supplemental Schedule Required by ERISA

The supplemental schedule of assets (held at end of year) as of December 31, 2024 (the “ERISA-required supplemental schedule”) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the ERISA-required supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the ERISA-required supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the ERISA-required supplemental schedule, we evaluated whether the ERISA-required supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- The form and content of the ERISA-required supplemental schedule, other than the information in the ERISA-required supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the ERISA-required supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Certified Public Accounts
October 13, 2025
Charlotte, NC

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan

Financial Statements and Supplemental Schedule

December 31, 2024 and 2023

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan
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GreerWalker

INDEPENDENT AUDITORS' REPORT

To the Employee Benefits Administration Committee of the Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan:

Scope and Nature of the ERISA Section 103(a)(3)(C) Audits

We have performed audits of the financial statements of the Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statements of net assets available for benefits and benefit obligations as of December 31, 2024 and 2023, the related statements of changes in net assets available for benefits and benefit obligations for the year ended December 31, 2024, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained certifications from a qualified institution as of December 31, 2024 and 2023, and for the year ended December 31, 2024, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with generally accepted accounting principles in the United States of America ("GAAP").
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with generally accepted auditing standards in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters – Supplemental Schedule Required by ERISA

The supplemental schedule of assets (held at end of year) as of December 31, 2024 (the “ERISA-required supplemental schedule”) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the ERISA-required supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the ERISA-required supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the ERISA-required supplemental schedule, we evaluated whether the ERISA-required supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- The form and content of the ERISA-required supplemental schedule, other than the information in the ERISA-required supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the ERISA-required supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Certified Public Accounts
October 13, 2025
Charlotte, NC

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan
Statements of Net Assets Available for Benefits
As of December 31, 2024 and 2023

	2024	2023
Assets		
Interest in 103-12 investment entity, at fair value	\$ 76,016,589	\$ 73,939,015
Total assets	<u>76,016,589</u>	<u>73,939,015</u>
Liabilities		
Reimbursement payable to Plan Sponsor	1,383,012	2,156,117
Income taxes payable	106,624	216,168
Accounts payable for administrative expenses	61,118	49,609
Total liabilities	<u>1,550,754</u>	<u>2,421,894</u>
Net assets available for benefits	<u>\$ 74,465,835</u>	<u>\$ 71,517,121</u>

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

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2024

Additions to (reductions in) net assets attributed to:

Plan sponsor contributions	\$ 10,778
Retiree contributions	1,063,065
Total contributions	<u>1,073,843</u>

Interest in 103-12 investment entity net investment gain (loss)	<u>5,179,872</u>
Total additions (reductions)	<u>6,253,715</u>

Deductions from net assets attributed to:

Claim payments	1,317,918
Retiree health reimbursements	1,138,938
Income taxes	655,309
Administrative expenses	192,836
Total deductions	<u>3,305,001</u>

Change in net assets available for benefits	<u>2,948,714</u>
---	------------------

Beginning of year	<u>71,517,121</u>
End of year	<u>\$ 74,465,835</u>

The accompanying notes are an integral part of this financial statement.

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan
Statements of Benefit Obligations
As of December 31, 2024 and 2023

	2024	2023
Amounts currently payable		
Claims incurred but not reported	<u>\$ 76,537</u>	<u>\$ 118,720</u>
Postretirement benefit obligations		
Other participants fully eligible for benefits	8,019,373	10,457,580
Other participants not yet fully eligible for benefits	4,192,445	6,010,463
Current retirees	<u>15,179,103</u>	<u>15,905,367</u>
Total postretirement benefit obligations	<u>27,390,921</u>	<u>32,373,410</u>
 Total benefit obligations	 <u>\$ 27,467,458</u>	 <u>\$ 32,492,130</u>

The accompanying notes are an integral part of this financial statement.

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan
Statement of Changes in Benefit Obligations
For the Year Ended December 31, 2024

Amounts currently payable

Balance at beginning of year	\$ 118,720
Health claims incurred	2,414,673
Health claims paid	(2,456,856)
Balance at end of year	<u>76,537</u>

Postretirement benefit obligations

Balance at beginning of year	32,373,410
Change during the year attributable to:	
Change in assumption	(4,474,760)
Benefits paid	(2,456,856)
Actuarial gain (loss)	(954,808)
Benefits earned	305,839
Retiree contributions	1,063,065
Plan amendments	-
Interest	1,535,031
Change in postretirement benefit obligations	<u>(4,982,489)</u>
Balance at end of year	<u>27,390,921</u>
Total benefit obligations at end of year	<u><u>\$ 27,467,458</u></u>

The accompanying notes are an integral part of this financial statement.

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan

Notes to Financial Statements

December 31, 2024 and 2023

1. Description of the Plan

The following description of the Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan (the Plan) is provided for general information purposes only. Participants should refer to the summary plan description or plan agreement for more complete information.

General

The Plan is a contributory health and welfare plan, which provides retiree health reimbursements, medical, and dental benefits (Health Benefits) for eligible Blue Cross and Blue Shield of North Carolina (Blue Cross NC) retirees and dependents (Members). Blue Cross NC retirees are eligible for coverage upon retirement at age 55 or older with five or more years of service. Blue Cross NC retirees are eligible for subsidized coverage upon retirement at age 55 or older with fifteen or more years of service if retired before 2006 or retired following a period of continuous employment since December 31, 2005. Blue Cross NC is the Plan Sponsor and Plan Administrator. Blue Cross NC delegates the duties of the Plan Administrator to the Blue Cross NC Employee Benefits Administration Committee.

Retirees contribute a portion of the costs associated with Plan coverage for Members who are not covered by Medicare (Pre 65 Members). Blue Cross NC contributes the remainder of the costs associated with Plan coverage.

Members covered by Medicare (Post 65 Members) are eligible to enroll with a private health exchange (Marketplace). A notional Retiree Health Reimbursement Account (RHRA) is maintained for retirees who qualify for subsidized coverage and who maintain coverage through the Marketplace. Each retiree's account is credited with an allocation that is determined according to program design and charged with eligible expenses paid by the retiree and reimbursed by Blue Cross NC. RHRA balances are carried over to the next plan year. RHRA balances available for carry over at December 31, 2024 and 2023 are approximately \$2,245,651 and \$1,944,788.

Following is a summary of the Plan's estimated retiree cost sharing arrangement for Pre 65 Members using 2024 actuarial assumptions:

Retirees who qualify for subsidized coverage contribute enough to cover approximately 71% of their estimated plan costs.

Retirees who do not qualify for subsidized coverage contribute enough to cover approximately 100% of their estimated plan medical and dental costs.

Interest in Trust

The Blue Cross and Blue Shield Plans' National Retiree Health Benefits Trust (the Trust) is a 103-12 Investment Entity trust established by the Blue Cross and Blue Shield Association (BCBSA) for the Plan and certain other plans of BCBSA affiliated companies to fund and pay retiree health benefits. Funds invested in the Trust may be used to fund health benefits for retired participants under the provisions of eligible programs maintained by the participating employers. The Plan became a participant in the Trust effective August 1, 2003. Each of the participating plans has an undivided interest in the Trust. The Trust invests all contributions made by participating plans and reinvests all dividend and interest income received on securities owned by the Trust. Assets are allocated among participating plans by assigning to each plan those transactions (primarily contributions, benefit payments and specific administration expenses) which can be specifically identified. The value of the Trust is adjusted daily to reflect the earnings and market value changes of investments and certain administrative expenses of the Trust.

Contributions and Funding Policy

Eligible benefit costs incurred by Members are paid by Blue Cross NC and reimbursed from the Trust the following year. All other benefits are paid from the general assets of Blue Cross NC. Blue Cross NC processes Pre 65 Member claims for the Plan.

Blue Cross NC uses an independent enrolled actuary to determine the maximum tax-deductible contribution that may be contributed each year to the Plan.

Administration

The Northern Trust Company (the Trustee) is the trustee of the Trust. The Trustee administers the Trust's assets together with the income derived from the Trust. Investment transactions are initiated, executed and accounted for by the Trustee in accordance with the investment guidelines approved by the board of directors of the Trust. Trustee, audit, and certain actuarial fees related to the Trust are paid by the Trust.

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan

Notes to Financial Statements

December 31, 2024 and 2023

Income Taxes

Income taxes incurred, which are reported on the accompanying financial statements, represent the Trust's provision for unrelated business income tax, which is based on investment income earned on certain investments of the trust which do not generate tax-exempt interest.

The Trust evaluates unrelated business income tax including the impact of Internal Revenue Code section 419A. Income taxes receivable and payable are recognized in the statement of net assets available for benefits.

Plan Termination

Blue Cross NC has the right under the provisions of the Plan to modify the benefits provided to, and contributions required from participants, to discontinue its contributions at any time, and to terminate the Plan subject to the provisions set forth in ERISA. In the event of Plan termination, Blue Cross NC is responsible for all benefits not covered by the remaining assets. In the event there are excess assets, the remaining assets in the Plan would be applied for the benefit of employees or former employees of Blue Cross NC or the benefit of their covered dependents.

Plan Amendment

Effective January 1, 2024 dental benefit subsidies are eliminated for all Post 65 retirees.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Reimbursement Payable to Plan Sponsor

Reimbursement Payable to Plan Sponsor represents Plan eligible benefits paid by Blue Cross NC that have not been reimbursed by the Trust at the end of the year.

Investment Valuation and Income Recognition

Investments are reported at fair value (refer to Note 4). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Distributions from registered investment companies and stock dividends are recognized as income on the ex-dividend date. Distributions from other investments are recognized as income on the payment date. Interest is recognized as income when earned. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Claims Incurred but Not Reported

Claims incurred but not reported at December 31 are estimated by the Blue Cross NC actuary in accordance with accepted actuarial principles. Such estimated amounts are reported in the accompanying statements of benefit obligations.

Administrative Expenses

Plan administration expenses not paid by the Plan are paid by Blue Cross NC.

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan

Notes to Financial Statements

December 31, 2024 and 2023

Benefit Obligations

The postretirement benefit obligation represents the actuarial present value of those estimated future benefits that are attributed to employee service rendered through December 31, 2024 and 2023, reduced by the actuarial present value of contributions expected to be received in the future from current plan participants. Postretirement benefits include future benefits expected to be paid to or for (1) currently retired employees and their beneficiaries and dependents and (2) active employees and their beneficiaries and dependents after retirement from service. Prior to an active employee's full eligibility date, the postretirement benefit obligation is the portion of the expected postretirement benefit obligation that is attributed to that employee's service rendered as of the valuation date. The postretirement benefit obligation represents the amount that is to be funded by Sponsor contributions and Plan assets.

The actuarial present value of the expected postretirement benefit obligation is determined by an actuary and is the amount that results from applying actuarial assumptions to historical claims cost data to estimate future annual incurred claims costs per participant. These estimates are adjusted for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The postretirement benefit obligations as of December 31, 2024 and 2023 are estimated using the following assumptions:

	2024	2023
Mortality Table	PRI-2012 generationally projected with MMP-2021 mortality improvement scale	PRI-2012 generationally projected with MMP-2021 mortality improvement scale
Discount Rate	5.57%	4.98%
Average Pre-65 Retiree Age	62	62
Average Post-65 Retiree Age	75	73
Pre-65 Health Care Cost Trend Rate		
Initial Rate	7.67%	7.34%
Ultimate Rate	4.00%	4.00%
Year Ultimate Rate is Reached	2049	2048
Post-65 Health Care Cost Trend Rate		
Initial Rate	7.67%	7.34%
Ultimate Rate	4.00%	4.00%
Year Ultimate Rate is Reached	2049	2048

The preceding trend rates were used for the Pre-65 plan options. Different rates were used for some post-65 plan options to model gross costs and expected government subsidies.

Blue Cross NC contributions for postretirement health care costs are limited for certain classes of retirees. The limit on BlueCross NC contributions mitigates the potential increase in costs resulting from an increase in the health care cost trend rate. Increasing the assumed health care cost trend rate by one percentage point would increase the Plan's postretirement benefit obligation as of December 31, 2024 and 2023 by approximately \$436,000 and \$505,000, respectively.

The foregoing assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement benefit obligation.

3. Information Certified by Trustee

Information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2024 and 2023, and net appreciation (depreciation) in fair value of investments, interest and dividends for the year ended December 31, 2024, is obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by The Northern Trust Company.

The Plan's interest in the net assets of the Trust is approximately 36% and 36% as of December 31, 2024 and 2023, respectively.

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan

Notes to Financial Statements

December 31, 2024 and 2023

4. Fair Value Measurements

Accounting principles generally accepted in the United States of America provide the framework for measuring fair value by utilizing a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III). The three levels of the fair value hierarchy under accounting principles generally accepted in the United States of America are described as follows:

Level I Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level II Inputs, other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of the Plan's investment in the Trust is its proportionate share of the fair value of investments held by the Trust, measured using Net Asset Value ("NAV") as a practical expedient. Valuation of the investments in the Trust is determined by the Trustee and is reported to the Plan in the audited financial statements of the Trust. The Trustee applies fair value measurements as defined in FASB guidance to the underlying investments in determining investment valuations.

As of December 31, 2024, and 2023, the Plan's investment in the Trust of \$76,016,589 and \$73,939,015 is valued using the NAV per share as a practical expedient and therefore in accordance with FASB guidance has not been classified in the fair value hierarchy.

The Trust holds a diversified portfolio of equity securities and government obligations. The Trust investments as of December 31, 2024 are allocated between equity securities (38%), and government fixed income obligations (62%). The Trust investments as of December 31, 2023 are allocated between equity securities (42%), and government fixed income obligations (58%).

5. Related Party and Party-in-Interest Transactions

Parties-in-interest are defined by Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the Employer, and certain others. Investment transactions and any fees paid to parties for services associated with plan operations are considered party-in-interest transactions. The Plan engaged in the following party-in-interest transactions which are exempt from prohibited transaction rules defined by ERISA: investment transactions with the trustee related to its interest in the Trust, and reimbursements paid to Blue Cross NC for Health Benefits paid on behalf of eligible Members covered under the Trust agreement. Blue Cross NC processes and pays all Health Benefits. During 2024, Blue Cross NC paid Health Benefits for Members totaling \$2,456,856.

6. Tax Status

The Trust is designed to meet the requirements of a VEBA under Section 501(c)(9) of the Code. The Internal Revenue Service (IRS) determined and informed the Trust administrator by a letter dated April 26, 1994 that the VEBA is designed in accordance with the applicable sections of the Code. The Trust has been amended since receiving the determination letter, however, the Trust administrator believes the Trust is designed and is currently operated in compliance with the applicable requirements of the Code. As a result of unrelated business income related to the Trust investment activity, a provision for income taxes is included in these financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or Department of Labor. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan
Notes to Financial Statements
December 31, 2024 and 2023

7. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

The actuarial present value of benefit obligations is reported based on certain assumptions pertaining to interest rates, health care inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumptions processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

8. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	2024	2023
Net assets available for benefits per the financial statements	\$ 74,465,835	\$ 71,517,121
Less: Claims incurred but not reported	<u>(76,537)</u>	<u>(118,720)</u>
Net assets available for benefits per the Form 5500	<u>\$ 74,389,298</u>	<u>\$ 71,398,401</u>

The following is a reconciliation of change in net assets available for benefits per the financial statements to net income (loss) reported per the Form 5500:

Change in net assets available for benefits per the financial statements	\$ 2,948,714
Less: Claims incurred but not reported at December 31, 2024	(76,537)
Add: Claims incurred but not reported at December 31, 2023	<u>118,720</u>
Net income (loss) per the Form 5500	<u>\$ 2,990,897</u>

9. Consistency

Certain reclassifications were applied to the 2023 financial statements to conform to the 2024 presentation.

10. Subsequent Events

Management has reviewed transactions and events occurring subsequent to December 31, 2024 through October 13, 2025, the date at which the financial statements were available to be issued, for any that would require recognition or disclosure in the accompanying financial statements.

Supplemental Schedule

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan

Plan Sponsor EIN 56-0894904, Plan No. 501

Schedule H – Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2024

Description of Investment	Cost	Current Value
Identity of Issue, Borrower, Lessor or Similar Party		
Interest in 103-12 investment entity		
Blue Cross and Blue Shield Plans' National Retiree Health Benefits Trust *	<u>\$ 61,252,082</u>	<u>\$ 76,016,589</u>

* Party-in-interest

Information included in this schedule has been certified as complete and accurate by The Northern Trust Company, trustee of the Plan.

See independent auditors' report

Blue Cross and Blue Shield of North Carolina Retiree Medical Benefits Plan

Plan Sponsor EIN 56-0894904, Plan No. 501

Schedule H – Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2024

Description of Investment	Cost	Current Value
Identity of Issue, Borrower, Lessor or Similar Party		
Interest in 103-12 investment entity		
Blue Cross and Blue Shield Plans' National Retiree Health Benefits Trust *	<u>\$ 61,252,082</u>	<u>\$ 76,016,589</u>

* Party-in-interest

Information included in this schedule has been certified as complete and accurate by The Northern Trust Company, trustee of the Plan.

See independent auditors' report