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August 6, 2025

Michelle Weyland
 Chief Financial Officer
 Public Employees' Benefits Program
 3427 Goni Road, Suite 109
 Carson City, NV 89706

Re: Estimate of IBNR as of June 30, 2025

Dear Michelle:

Segal has completed its evaluation of the State of Nevada Public Employees' Benefits Program (PEBP) liability for claims that were Incurred but Not Reported (IBNR) as of June 30, 2025. The reserve is calculated to estimate the outstanding liability for covered services received prior to July 1, 2025 and paid after June 30, 2025. Our estimate of incurred but not reported (IBNR) claims includes unreported claims, reported but unprocessed claims, and claims processed but unpaid by your administrator. Segal has estimated the reserves for the PEBP's self-insured active and retiree medical, prescription drug, and dental plans to be **\$54,601,000** as of June 30, 2025. This is a decrease of \$836,000 or 1.5% from the prior reserve estimate as of June 30, 2024.

The IBNR estimates by coverage as of June 30, 2025 are shown in the following table. Medical and dental IBNR estimates include a 10% catastrophic margin. Prescription drug IBNR estimates do not include a margin due to the minimal time between claim adjudication and plan payment. Included in the FY2025 Prescription Drug IBNR figures is an estimate of incurred but not paid tertiary claims attributable to the SaveOnSP program in the amount of \$424,000.

Benefit Plan	FY2024			FY2025		
	CDHP	Premier (EPO)	Copay	CDHP	Premier (EPO)	Copay
Medical	\$20,236,000	\$9,915,000	\$13,936,000	\$16,153,000	\$10,241,000	\$17,534,000
10% Margin	\$2,024,000	\$991,000	\$1,394,000	\$1,614,000	\$1,025,000	\$1,753,000
<u>Prescription Drugs</u>	<u>\$1,891,000</u>	<u>\$965,000</u>	<u>\$1,893,000</u>	<u>\$1,562,000</u>	<u>\$769,000</u>	<u>\$2,033,000</u>
<i>Total Medical IBNR</i>	\$24,151,000	\$11,871,000	\$17,223,000	\$19,329,000	\$12,035,000	\$21,320,000
	Dental			Dental		
Dental		\$1,993,000			\$1,742,000	
<u>10% Margin</u>		<u>\$199,000</u>			<u>\$175,000</u>	
<i>Total Dental IBNR</i>		\$2,192,000			\$1,917,000	
	Total			Total		
Total All Reserves	\$55,437,000			\$54,601,000		

The change in liabilities from the previous reserve estimate can be attributed to the ongoing migration to the Copay plan, which has a lower benefit value than the EPO and a faster claims processing rate than the CDHP option. Higher deductible plans generally have slower processing rate than plans with a point-of-sale copay-based benefit structure.

	CDHP	Premier (EPO)	Copay	Total
FY2024	24,065	5,702	18,969	48,735
FY2025	22,946	5,166	23,220	51,333
Percent Change	-4.6%	-9.4%	22.4%	5.3%

Our estimate does not include any amounts for accounts payable due to claims paid by UMR or Express Scripts prior to July 1, 2025, that had been recorded on the carrier's lag report as paid on or before June 30, 2025. Furthermore, if your financial statements identify actual amounts known to be paid after June 30, 2025 for services that were incurred prior to July 1, 2025 (e.g. recorded as an account payable) from the unknown amounts, those known amounts should be subtracted from the estimated liability we have provided so that the total amount of known and unknown liability remains equal to our estimated IBNR. A breakdown of liabilities by coverage, plan, State/Non-State and eligibility status can be found in Exhibits I, II and III. A description of our standard calculation methodology, which was employed for our Medical, Prescription Drug, and Dental estimates, is also enclosed.

Our Medical and Dental estimates rely upon claims paid through June 30, 2025, as furnished by UMR. Our Prescription Drug estimates rely upon claims paid through June 30, 2025 as furnished by Express Scripts. We did not audit this data, and our review was limited to determining that it appears to be reasonable and acceptable for the projection of outstanding liabilities under the plan. The estimated number of months of claims covered by the IBNR are shown below, by plan and coverage.

Benefit Plan	FY2024			FY2025		
	CDHP	Premier (EPO)	Copay	CDHP	Premier (EPO)	Copay
Medical	2.6	2.7	2.0	2.2	2.8	1.8
Prescription Drugs	0.6	0.6	0.6	0.5	0.5	0.5
	Dental			Dental		
Dental	0.9			0.7		
	Overall			Overall		
Total IBNR	1.9	2.0	1.5	1.6	2.0	1.4

Catastrophic Reserve

PEBP recently determined the appropriate Catastrophic Reserve level to be 45 days of claims. Previously the level was based on 50 days of claims. We have estimated the Catastrophic Reserve to be \$46.5 million as of June 30, 2025 for PEBP's CDHP, Premier (EPO) and Copay plans. This is based on the projected total claims incurred for FY2025 (\$388,556,000).

Plan	As of 6/30/2024 (50 days)	As of 6/30/2025 (45 days)
CDHP	\$19,619,000	\$16,539,000
Premier (EPO)	\$9,391,000	\$8,305,000
Copay	\$17,964,000	\$21,681,000
Total	\$46,974,000	\$46,525,000

Actuarial Certification

We certify to the best of our knowledge, the data, methods, and assumptions used to develop the estimated liability for IBNR claims are reasonable and are calculated in accordance with generally accepted and consistently applied actuarial principles. Although our conclusions are based on assumptions and methods that are reasonable for this purpose, actual experience can vary from our estimate, and this difference may be material. This estimate is intended to measure PEBP's liability for unpaid claims as of June 30, 2025 and it should not be relied upon for any other purpose.

This document has been prepared for the exclusive use and benefit of PEBP, based upon information provided by the Board and its other service providers or otherwise made available to Segal at the time this document was created. Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. Except as may be required by law, this document should not be shared, copied, or quoted, in whole or in part, without the consent of Segal. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised with the Fund's legal, tax and other advisors before taking, or refraining from taking, any action.

I am a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries, and a Member of the American Academy of Actuaries. I meet the *Qualification Standards for Actuaries Issuing Statements of Opinion in the United States* promulgated by the American Academy of Actuaries and am qualified to render an opinion with regard to loss reserves, actuarial liabilities, and related items.

Sincerely yours,



Richard Ward, FSA, FCA, MAAA
West Region Market Director, Public Sector

Exhibit I Medical IBNR Estimate

Plan	IBNR Reserves as of June 30, 2024	IBNR Reserves as of June 30, 2025	Change %	% of Prior 12 Months Paid Claims	10% Margin	Total IBNR with Margin
CDHP						
State						
Actives	\$15,767,000	\$11,207,000	-28.9%	17.1%	\$1,120,000	\$12,327,000
<u>Retirees</u>	<u>\$4,011,000</u>	<u>\$4,502,000</u>	<u>12.2%</u>	<u>22.3%</u>	<u>\$450,000</u>	<u>\$4,952,000</u>
Sub-total	\$19,778,000	\$15,709,000	-20.6%	18.3%	\$1,570,000	\$17,279,000
Non-State						
Actives	\$14,000	\$4,000	-71.4%	16.9%	\$0	\$4,000
<u>Retirees</u>	<u>\$444,000</u>	<u>\$440,000</u>	<u>-0.9%</u>	<u>22.3%</u>	<u>\$44,000</u>	<u>\$484,000</u>
Sub-total	\$458,000	\$444,000	-3.1%	22.2%	\$44,000	\$488,000
<i>Plan Total</i>	<i>\$20,236,000</i>	<i>\$16,153,000</i>	<i>-20.2%</i>	<i>18.4%</i>	<i>\$1,614,000</i>	<i>\$17,767,000</i>
EPO						
State						
Actives	\$8,926,000	\$9,142,000	2.4%	24.3%	\$915,000	\$10,057,000
<u>Retirees</u>	<u>\$930,000</u>	<u>\$1,057,000</u>	<u>13.7%</u>	<u>16.1%</u>	<u>\$106,000</u>	<u>\$1,163,000</u>
Sub-total	\$9,856,000	\$10,199,000	3.5%	23.1%	\$1,021,000	\$11,220,000
Non-State						
Actives	\$1,000	\$1,000	0.0%	25.1%	\$0	\$1,000
<u>Retirees</u>	<u>\$58,000</u>	<u>\$41,000</u>	<u>-29.3%</u>	<u>16.1%</u>	<u>\$4,000</u>	<u>\$45,000</u>
Sub-total	\$59,000	\$42,000	-28.8%	16.2%	\$4,000	\$46,000
<i>Plan Total</i>	<i>\$9,915,000</i>	<i>\$10,241,000</i>	<i>3.3%</i>	<i>23.1%</i>	<i>\$1,025,000</i>	<i>\$11,266,000</i>
Copay						
State						
Actives	\$12,399,000	\$16,112,000	29.9%	15.6%	\$1,611,000	\$17,723,000
<u>Retirees</u>	<u>\$1,494,000</u>	<u>\$1,389,000</u>	<u>-7.0%</u>	<u>11.4%</u>	<u>\$139,000</u>	<u>\$1,528,000</u>
Sub-total	\$13,893,000	\$17,501,000	26.0%	15.2%	\$1,750,000	\$19,251,000
Non-State						
Actives	\$4,000	\$3,000	-25.0%	18.6%	\$0	\$3,000
<u>Retirees</u>	<u>\$39,000</u>	<u>\$30,000</u>	<u>-23.1%</u>	<u>11.6%</u>	<u>\$3,000</u>	<u>\$33,000</u>
Sub-total	\$43,000	\$33,000	-23.3%	12.0%	\$3,000	\$36,000
<i>Plan Total</i>	<i>\$13,936,000</i>	<i>\$17,534,000</i>	<i>25.8%</i>	<i>15.2%</i>	<i>\$1,753,000</i>	<i>\$19,287,000</i>
Grand Total	\$44,087,000	\$43,928,000	-0.4%	17.7%	\$4,392,000	\$48,320,000

**Exhibit II
Prescription Drug IBNR Estimate**

Plan	IBNR Reserves as of June 30, 2024	IBNR Reserves as of June 30, 2025	Change %	% of Prior 12 Months Paid Claims	10% Margin	Total IBNR with Margin
CDHP	\$1,891,000	\$1,562,000	-17.4%	4.32%	\$0	\$1,562,000
EPO	\$965,000	\$769,000	-20.3%	4.31%	\$0	\$769,000
Copay	\$1,893,000	\$2,033,000	7.4%	4.32%	\$0	\$2,033,000
Grand Total	\$4,749,000	\$4,364,000	-8.1%	4.32%	\$0	\$4,364,000

- Estimates do not reflect the impact of any pharmaceutical manufacturer rebates due to PEBP resulting from the utilization of brand drugs.
- Estimates for PY2024 include an estimate of SaveOnSP tertiary claims IBNR of \$385,000.
- Estimates for PY2025 include an estimate of SaveOnSP tertiary claims IBNR of \$424,000.

**Exhibit III
Dental IBNR Estimate**

Plan	IBNR Reserves as of June 30, 2024	IBNR Reserves as of June 30, 2025	Change %	% of Prior 12 Months Paid Claims	10% Margin	Total IBNR with Margin
State						
Actives	\$1,294,000	\$1,163,000	-10.1%	6.0%	\$117,000	\$1,280,000
Retirees	<u>\$520,000</u>	<u>\$441,000</u>	<u>-15.2%</u>	<u>6.2%</u>	<u>\$44,000</u>	<u>\$485,000</u>
Sub-total	\$1,814,000	\$1,604,000	-11.6%	6.1%	\$161,000	\$1,765,000
Non-State						
Actives	\$0	\$0	0%	0.0%	\$0	\$0
Retirees	<u>\$179,000</u>	<u>\$138,000</u>	<u>-22.9%</u>	<u>6.2%</u>	<u>\$14,000</u>	<u>\$152,000</u>
Sub-total	\$179,000	\$138,000	-22.9%	6.2%	\$14,000	\$152,000
Grand Total	\$1,993,000	\$1,742,000	-12.6%	6.1%	\$175,000	\$1,917,000

**Exhibit IV
 FY2025 Average Employee Count**

Group	Medical			Dental
	CDHP	Premier (EPO)	Copay	
State				
Active	11,661	2,283	11,238	28,265
Retiree	<u>2,220</u>	<u>468</u>	<u>924</u>	<u>9,792</u>
Sub-total	13,881	2,751	12,162	38,057
Non-State				
Active	5	2	3	9
Retiree	<u>291</u>	<u>44</u>	<u>25</u>	<u>3,596</u>
Sub-total	296	46	28	3,605
Total	14,177	2,797	12,190	41,662

**Medical IBNR – CDHP Plan
 As of 6/30/2025**

Month	Member Count	Paid Amount	Incurred & Paid to Date	Completed Incurred	Remaining Outstanding	Completion Factor
Dec-22	27,460	\$7,847,265	\$8,270,908	\$8,270,908	\$0	1.000
Jan-23	27,114	\$8,225,387	\$8,602,663	\$8,602,663	\$0	1.000
Feb-23	27,034	\$9,261,679	\$8,133,468	\$8,133,468	\$0	1.000
Mar-23	26,936	\$9,865,013	\$8,611,727	\$8,611,727	\$0	1.000
Apr-23	26,900	\$10,013,727	\$7,837,740	\$7,837,740	\$0	1.000
May-23	26,835	\$8,709,598	\$8,286,577	\$8,286,577	\$0	1.000
Jun-23	26,737	\$8,885,100	\$10,892,851	\$10,892,851	\$0	1.000
Jul-23	24,375	\$6,646,289	\$5,738,663	\$5,739,744	\$1,082	1.000
Aug-23	24,246	\$7,988,183	\$6,376,872	\$6,381,555	\$4,683	0.999
Sep-23	24,228	\$6,894,503	\$6,646,859	\$6,653,151	\$6,292	0.999
Oct-23	24,133	\$6,527,649	\$6,511,250	\$6,518,505	\$7,254	0.999
Nov-23	24,166	\$5,520,070	\$6,964,539	\$6,979,577	\$15,038	0.998
Dec-23	24,156	\$7,596,119	\$8,551,389	\$8,579,370	\$27,981	0.997
Jan-24	23,958	\$7,458,376	\$7,808,227	\$7,857,896	\$49,669	0.994
Feb-24	23,900	\$7,504,222	\$7,970,632	\$8,028,570	\$57,938	0.993
Mar-24	23,916	\$11,626,218	\$8,667,062	\$8,755,604	\$88,542	0.990
Apr-24	23,938	\$8,920,000	\$7,717,026	\$7,829,234	\$112,208	0.986
May-24	23,901	\$9,869,511	\$9,075,399	\$9,229,376	\$153,977	0.983
Jun-24	23,861	\$7,939,869	\$7,997,970	\$8,156,336	\$158,366	0.981
Jul-24	22,708	\$8,330,921	\$6,194,951	\$6,325,634	\$130,682	0.979
Aug-24	22,719	\$6,351,604	\$5,105,063	\$5,247,540	\$142,477	0.973
Sep-24	22,666	\$5,510,809	\$5,815,498	\$6,023,603	\$208,105	0.965
Oct-24	22,843	\$8,108,876	\$7,011,980	\$7,316,474	\$304,494	0.958
Nov-24	22,987	\$6,304,611	\$6,630,367	\$7,019,691	\$389,324	0.945
Dec-24	23,062	\$6,618,606	\$6,872,815	\$7,365,479	\$492,664	0.933
Jan-25	23,001	\$8,193,085	\$7,173,327	\$7,802,449	\$629,123	0.919
Feb-25	23,026	\$7,717,819	\$5,922,554	\$6,568,438	\$645,883	0.902
Mar-25	23,142	\$7,096,659	\$6,633,241	\$7,717,169	\$1,083,928	0.860
Apr-25	23,120	\$7,112,834	\$7,095,400	\$8,837,726	\$1,742,326	0.803
May-25	23,092	\$8,218,416	\$5,393,383	\$8,587,478	\$3,194,095	0.628
Jun-25	22,991	\$8,236,150	\$1,623,831	\$8,130,393	<u>\$6,506,562</u>	0.200
					\$16,152,692	

**Medical IBNR – EPO Plan
 As of 6/30/2025**

Month	Member Count	Paid Amount	Incurred & Paid to Date	Completed Incurred	Remaining Outstanding	Completion Factor
Dec-22	6,396	\$3,679,316	\$4,785,492	\$4,785,492	\$0	1.000
Jan-23	6,125	\$3,852,655	\$3,590,673	\$3,590,673	\$0	1.000
Feb-23	6,341	\$4,521,105	\$3,576,801	\$3,576,801	\$0	1.000
Mar-23	6,326	\$6,014,425	\$4,158,714	\$4,158,714	\$0	1.000
Apr-23	6,282	\$5,455,147	\$3,425,362	\$3,425,362	\$0	1.000
May-23	6,232	\$3,925,372	\$3,878,473	\$3,878,473	\$0	1.000
Jun-23	6,210	\$4,245,484	\$3,785,687	\$3,785,687	\$0	1.000
Jul-23	5,793	\$3,004,259	\$2,744,319	\$2,744,319	\$0	1.000
Aug-23	5,786	\$3,297,665	\$3,789,571	\$3,789,855	\$284	1.000
Sep-23	5,777	\$2,890,826	\$2,769,651	\$2,862,752	\$93,101	0.967
Oct-23	5,752	\$3,952,026	\$3,024,704	\$3,163,941	\$139,237	0.956
Nov-23	5,760	\$1,995,604	\$3,578,179	\$3,769,443	\$191,264	0.949
Dec-23	5,724	\$3,733,951	\$4,286,513	\$4,541,142	\$254,629	0.944
Jan-24	5,698	\$4,051,380	\$3,648,240	\$3,854,596	\$206,356	0.946
Feb-24	5,674	\$3,805,413	\$4,677,355	\$4,960,712	\$283,357	0.943
Mar-24	5,654	\$4,442,152	\$3,664,497	\$3,886,513	\$222,016	0.943
Apr-24	5,623	\$4,461,463	\$3,627,767	\$3,853,104	\$225,337	0.942
May-24	5,616	\$4,360,688	\$3,426,348	\$3,635,875	\$209,527	0.942
Jun-24	5,562	\$4,194,295	\$3,124,804	\$3,300,436	\$175,632	0.947
Jul-24	5,289	\$3,581,201	\$4,696,992	\$5,000,514	\$303,521	0.939
Aug-24	5,264	\$5,823,463	\$3,264,308	\$3,470,547	\$206,239	0.941
Sep-24	5,210	\$3,245,820	\$2,970,770	\$3,187,862	\$217,092	0.932
Oct-24	5,185	\$4,872,237	\$3,020,541	\$3,257,950	\$237,409	0.927
Nov-24	5,183	\$3,030,454	\$2,634,249	\$2,848,579	\$214,331	0.925
Dec-24	5,171	\$3,479,509	\$2,673,863	\$2,921,760	\$247,897	0.915
Jan-25	5,162	\$3,083,424	\$3,153,257	\$3,519,495	\$366,238	0.896
Feb-25	5,149	\$3,271,006	\$3,081,737	\$3,553,324	\$471,587	0.867
Mar-25	5,128	\$3,752,103	\$3,180,455	\$3,789,669	\$609,214	0.839
Apr-25	5,104	\$3,124,905	\$3,793,997	\$4,904,410	\$1,110,413	0.774
May-25	5,096	\$3,174,621	\$2,327,379	\$3,816,623	\$1,489,244	0.610
Jun-25	5,052	\$3,960,565	\$581,864	\$3,349,177	<u>\$2,767,313</u>	0.174
					\$10,241,239	

**Medical IBNR – Copay Plan
 As of 6/30/2025**

Month	Member Count	Paid Amount	Incurred & Paid to Date	Completed Incurred	Remaining Outstanding	Completion Factor
Dec-22	14,128	\$4,246,235	\$5,402,864	\$5,402,864	\$0	1.000
Jan-23	14,194	\$4,282,337	\$4,672,971	\$4,672,971	\$0	1.000
Feb-23	14,425	\$4,852,493	\$5,376,832	\$5,376,832	\$0	1.000
Mar-23	14,491	\$6,531,113	\$5,354,964	\$5,354,964	\$0	1.000
Apr-23	14,659	\$6,743,319	\$5,349,767	\$5,349,767	\$0	1.000
May-23	14,811	\$5,485,271	\$5,547,273	\$5,547,273	\$0	1.000
Jun-23	14,972	\$5,349,647	\$5,319,087	\$5,319,087	\$0	1.000
Jul-23	17,759	\$5,065,337	\$6,250,817	\$6,251,003	\$186	1.000
Aug-23	18,008	\$6,442,734	\$9,067,309	\$9,068,239	\$929	1.000
Sep-23	18,339	\$5,863,848	\$5,311,877	\$5,314,384	\$2,507	1.000
Oct-23	18,519	\$5,881,837	\$7,133,951	\$7,138,851	\$4,899	0.999
Nov-23	18,673	\$5,177,145	\$7,364,967	\$7,381,939	\$16,971	0.998
Dec-23	18,844	\$6,651,476	\$7,103,659	\$7,125,589	\$21,931	0.997
Jan-24	18,936	\$8,538,175	\$7,092,232	\$7,120,381	\$28,149	0.996
Feb-24	19,222	\$7,388,745	\$6,397,482	\$6,431,653	\$34,171	0.995
Mar-24	19,520	\$8,876,485	\$7,783,928	\$7,837,415	\$53,487	0.993
Apr-24	19,770	\$7,528,493	\$8,426,499	\$8,495,298	\$68,799	0.992
May-24	19,925	\$9,361,820	\$8,469,110	\$8,552,131	\$83,021	0.990
Jun-24	20,108	\$6,954,505	\$7,482,815	\$7,575,166	\$92,351	0.988
Jul-24	22,286	\$8,135,506	\$9,552,406	\$9,701,203	\$148,797	0.985
Aug-24	22,452	\$8,058,047	\$9,319,562	\$9,510,986	\$191,424	0.980
Sep-24	22,640	\$8,393,008	\$9,080,328	\$9,278,427	\$198,099	0.979
Oct-24	22,863	\$9,884,211	\$9,034,914	\$9,270,790	\$235,876	0.975
Nov-24	23,095	\$8,268,082	\$8,987,051	\$9,274,368	\$287,317	0.969
Dec-24	23,281	\$9,962,336	\$9,259,588	\$9,658,322	\$398,734	0.959
Jan-25	23,294	\$11,019,613	\$9,878,517	\$10,550,604	\$672,087	0.936
Feb-25	23,567	\$10,908,527	\$8,898,540	\$9,666,801	\$768,262	0.921
Mar-25	23,688	\$9,439,762	\$9,974,507	\$11,189,855	\$1,215,348	0.891
Apr-25	23,795	\$11,540,412	\$9,315,562	\$11,192,213	\$1,876,651	0.832
May-25	23,869	\$10,582,025	\$7,222,897	\$10,712,560	\$3,489,662	0.674
Jun-25	23,812	\$9,210,135	\$1,790,462	\$9,433,202	<u>\$7,642,740</u>	0.190
					\$17,532,398	

Data, Assumptions, and Methodology

We have relied upon claims and membership data provided by UMR, Express Scripts and LifeWorks, with payments through June 30, 2025. We accepted this information without audit and have relied upon the source for the accuracy of the data; however, we did review the information for reasonableness and consistency. On the basis of this review, we believe the data and information provided to be sufficiently complete and accurate, and that it is appropriate for the purposes intended.

Assumptions and Methodology – Segal IBNR reserve model

The Segal IBNR model utilizes **detailed** monthly claims data that shows the amount of monthly claim dollars paid in each month of the reserve determination period relative to the month services were incurred. We project total Incurred Claims by month and then subtract known Paid Claim runoff by incurred month to calculate the completion factors for the estimated IBNR reserves. This method results in highly accurate estimates of IBNR reserves in large stable environments.

Calculation Methodology

Consistent with best practices in the industry, Segal blends two distinct methods to estimate monthly incurred claims:

1. *Claims Lag Method* - The first method estimates incurred claims by determining the payment patterns for each month of incurred claims. For example, for claims incurred in September 2024, we will review claims paid in September, October, November, and each succeeding month through June 2025. We review each month's payment patterns and utilize these cashflows to estimate the remaining claims to be paid that have been incurred for each month.
2. *Claims Projection Method* – The second method develops a projected per capita total incurred claims estimate for each month. This estimate is based on the expected total incurred claims for prior months, trended forward and adjusted for plan changes. The per capita incurred claims are multiplied by that month's enrollment and the total paid claims reported to date are subtracted to determine the expected incurred but not paid for that month.

The first method (Claims Lag Method) generally provides better estimates for more mature months, meaning months with more paid claims data. The second method (Claims Projection Method) generally provides better estimates for more recent months, where there is less paid data available. Our approach develops an estimate for each method for each month and blends the two based on the relative credibility, resulting in the Claims Lag Method estimates receiving more weight for older months and the Claims Projection Method estimates receiving more weight for recent months.