Risk Factors Comparison 2024-02-15 to 2023-02-24 Form: 10-K

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Our business involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in or incorporated by reference in this Annual Report on Form 10- K, including our audited ~~consolidated~~ **Consolidated** ~~financial~~ **Financial** ~~statements~~ **Statements** and related notes, as well as our other filings with the SEC. The occurrence of any of the events described below could harm our business, operating results, financial condition, liquidity, or prospects, and could cause our actual results to differ materially from historical results and those expressed in forward- looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors, and oral statements. In any such event, the market price of our Class A common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business. Most Material Risks to Us Our business, financial condition, and results of operations may be harmed if we fail to execute our strategy and manage our growth effectively. Our ~~growth~~ strategy includes, without limitation, acquiring new members and retaining existing members, introducing new products and plans **, expanding into new markets and lines of business** , and monetizing our technology through our Oscar platform. We may from time to time expand our membership by entering into new markets ~~and~~ **,** introducing new health plans in the markets in which we currently operate **, or entering into new lines of business** . As ~~our business grows~~ **we take these steps** , we may incur significant expenses prior to commencement of operations and the receipt of revenue in new markets or from new plans, including significant time and expense in obtaining the regulatory approvals and licenses necessary to grow our operations. For example, in order to obtain a certificate of authority to market and sell insurance in most jurisdictions, we must establish a provider network and demonstrate our ability to perform or delegate utilization management and other administrative functions, and we may be unable to complete these operational steps in a timely manner or at all. In addition, there are requirements and standards that need to be met, including in some cases an annual recertification process, in order to participate on Health Insurance Marketplaces. Even if we are successful in obtaining a certificate of authority, regulators may not approve our proposed benefit designs, provider networks, or premium levels, or may require us to change them or otherwise operate in ways that harm our profitability. If we are unable to obtain the approvals or licenses necessary, or otherwise meet regulatory and Health Insurance Marketplace requirements, our results of operations and financial condition could be materially and adversely affected. As we expand our member base and enter new markets, we are also required to contribute capital to our insurance subsidiaries to fund capital and surplus requirements, escrows, or contingency guaranties, which may, at times, be significant. If we are successful in establishing a new health plan or entering a new market, increasing membership, revenues and medical costs could trigger further increased capital requirements, including risk- based capital (" RBC "), that could substantially exceed the net income generated by the health plan or in the new market. In certain states, the applicable statutes mandate higher capital requirements for an initial seasoning period, which may be reduced at the regulator' s discretion. In addition, our membership may increase as a result of other factors over which we have limited control, including as a result of regulatory actions or other developments that contribute to an increase in participants in the Health Insurance Marketplace, which similarly could trigger further increased capital requirements that could be substantial. We may not be able to fund on a timely basis, or at all, the increased contribution and RBC requirements with our available cash resources, and may need to incur indebtedness or issue additional capital stock. In the event we need access to capital for such purposes, our ability to obtain such capital may be limited and may come at significant cost. Further, in light of market uncertainty, we have taken, and may in the future take, preemptive steps designed to prudently manage our membership and capital position. For example, prior to the 2023 Open Enrollment Period, **we** ~~the Company~~ requested that regulators limit ~~its~~ **our** membership growth in Florida above a certain threshold so that total membership across all markets would be within ~~its~~ **our** previously announced target range of 900, 000 to 1, 100, 000 at the close of Open Enrollment, which **we** ~~the Company~~ believed would enable ~~it~~ **us** to prudently manage ~~its~~ **our** capital position. Due to strong Open Enrollment performance, the threshold was met and **we** ~~the Company~~ temporarily stopped accepting new members in Florida **for plan year** ~~in the fourth quarter of 2022~~ **2023** ; however, current members were still able to renew. **On August 5** ~~Our ability to accept new members in Florida in the future~~ , **2023** ~~and timing of when we can do so~~ , **we received** ~~is subject to~~ regulatory approval ~~. If we are unable~~ to **remove the enrollment restriction** ~~obtain such approval our results of operations and financial condition could be materially and adversely affected~~ . Further, we may experience delays in operational start dates as we enter new markets or decide to exit geographic markets or terminate insurance products, which could not only result in financial harm, but also reputational harm to our brand. For example, the Company has previously determined to exit certain geographic markets and terminate certain insurance products, ~~and~~ **such as our exits from** ~~there~~ -- **the** ~~can be no assurance that~~ **California individual market and the Medicare Advantage market in 2024, and** any future decisions to exit **may** ~~will not~~ materially impact our financial condition. ~~If~~ **In addition, if** competitors seek to retain market share by reducing prices, we may be forced to reduce our prices on similar plan offerings in order to remain competitive. There is no assurance that a reduction in our plan pricing would enable us to maintain our competitive position, and any such reduction could impact our financial condition or require a change in our operating strategies. As a result of these factors, entering new markets or introducing new health plans may decrease our profitability **. We may also from time to time enter into new lines of business in which we have no or limited direct prior experience, or expand the insurance products that we offer. The new business lines and insurance products that we pursue may not perform as well as expected, may not achieve timely profitability, may incur significant or unexpected time and expense, and may expose us to additional liability, which may result in financial harm**

or reputational harm to our brand . We also pursue opportunities to monetize our technology platform through Oscar and we may be in discussions with respect to one or more such opportunities at any given time. To offer our Oscar platform administrative services, we may be required to obtain and maintain licenses and approvals in new and existing markets, including for third party administrative services, utilization review administrative services, pharmacy benefit administration, or preferred provider network administration services. We may not be able to do so on our expected timetable or at all, or to otherwise expand our administrative service offerings and perform on our Oscar or other commitments in an economically sustainable manner. Further, in 2022 we experienced certain operational challenges implementing full service Oscar arrangements, including meeting certain service level standards, and a Oscar client ~~has~~ terminated its Oscar arrangement. In the future, even if we are able to obtain necessary licenses and approvals, our Oscar arrangements may pose further operational challenges, may not be implemented on our expected timetable or at all, may not perform as well as expected, may not achieve timely profitability or expected synergies, may require us to incur additional costs, may expose us to additional liability, or may result in limitations on our ability to offer products in certain insurance markets and geographic regions. If we are not able to successfully implement and / or perform on our Oscar arrangements, this may limit our ability to retain current Oscar clients or obtain Oscar clients in the future. We may also pursue opportunistic partnerships and acquisitions to allow us to provide better ~~health~~ **healthcare** ~~care~~ options for our members as well as to augment existing operations, and we may be in discussions with respect to one or more partnerships or acquisitions at any given time. Partnerships or other acquisition opportunities that we enter into may not perform as well as expected, may not achieve timely profitability or expected synergies, may expose us to additional liability, or may limit our ability to offer products in certain insurance markets and geographic regions. Pursuing our strategy requires significant capital expenditures, the allocation of valuable management and operational resources, and the hiring of additional personnel, and may strain our operations and our financial and management controls and reporting systems and procedures. For example, we have experienced, and may in the future experience, challenges with respect to our operations, including with respect to our claims systems, and these difficulties could increase as our membership increases **and as we expand into new markets or business lines** . We also have experienced and may in the future experience attrition, which may further exacerbate these challenges. If we are unable to effectively execute our strategy and effectively manage our operations, systems and controls, our results of operations and financial condition could be materially and adversely affected. Our success and ability to grow our business depend in part on retaining and expanding our member base. If we fail to add new members or retain current members, or manage our membership growth appropriately to meet our business objectives, our business, revenue, operating results, and financial condition could be harmed. We currently derive substantially all of our revenue from direct policy premiums, which are primarily driven by the number of members covered by our health plans. As a result, the size of our member base is critical to our success. We have experienced significant member growth since we commenced operations; however, we may not be able to maintain this growth or manage our membership growth appropriately to meet our business objectives, and our member base could decrease rapidly or shrink over time. There are many factors that could negatively affect our ability to retain existing members and expand our member base, many of which are beyond our direct control, including if: • we are unable to remain competitive on member experience, pricing, and insurance coverage options; • we are unable to gain access to quality providers; • we are unable to develop or maintain competitive provider networks; • our competitors or new market entrants successfully mimic our innovative product offerings or our full stack technology platform; • **initiatives designed to improve member and provider experience, including the use of new technologies such as artificial intelligence or machine learning, are unsuccessful or discontinued, whether as a result of actions by us, our competitors, regulators, or other third parties; •** as a result of changes in law or otherwise, our competitors participate in the ~~Individual~~ **individual** and ~~Small~~ **small** ~~Group~~ **group** markets to a greater extent than they have previously; • our digital platform experiences technical or other problems or disruptions that frustrate the experience of members or providers or other third party partners; • we or our partners or other third parties with whom we collaborate sustain a cyber- attack or suffer privacy or data security breaches; • we experience unfavorable shifts in perception of our digital platform or other member service channels; • we suffer reputational harm to our brand resulting from negative publicity, whether accurate or inaccurate; • we are unable to maintain licenses and approvals, or there are material modifications or restrictions on our ability to offer insurance in our current markets or to participate on Health Insurance Marketplaces, obtain licenses and approvals to offer insurance in new markets, or to otherwise expand our plan offerings in an economically sustainable manner; • we fail to continue to offer ~~new~~ **differentiated** and competitive products **, including as a result of new or revised regulations, such as the NBPP** ; • our strategic partners terminate or fail to renew our current contracts or we fail to enter into contracts with new strategic partners; • there is an initiation of new Special Enrollment Periods or other unexpected healthcare market developments; • insurance brokers that we rely on to build our member base are unable to market our insurance products effectively; or • we fail to attract brokers to sell our insurance products or lose important broker relationships to our competitors or otherwise. We operate in a highly competitive environment and some of the health insurers with which we compete have greater financial and other resources, offer a broader scope of products, and may be able to price their products more competitively than ours. Many of our competitors also have relationships with more providers and provider groups than we do, and can offer a larger network or obtain better unit cost economics. Our inability to overcome these challenges could impair our ability to attract new members and retain existing members, and could have a material adverse effect on our business, revenue, operating results, and financial condition. Additionally, if we are not able to grow our membership, we may be unable to attract **additional** partners to our Oscar platform **or maintain existing Oscar partnerships** , which could materially affect our ability to execute our growth strategy. Failure to accurately estimate our incurred medical expenses or effectively manage our medical costs or related administrative costs could negatively affect our financial position, results of operations, and cash flows. We set our premiums in advance of each policy year based on competitive factors in each market in which we participate as well as a projection of future expenses. As a result, the profitability of our insurance business depends, to a significant degree, on our ability to accurately estimate and effectively manage our medical expenses and administrative costs. Numerous factors impact our ability to accurately estimate and control our medical expenses, many of which are not within our control, including, but not limited to: • changes in ~~health~~ **healthcare** ~~care~~ regulations and practices, including subregulatory guidance, regulations, or statutes that govern individual ~~,~~ **or** small group ~~, or Medicare Advantage~~ plans, or the Health Insurance Marketplaces; • changes in **the utilization of prescription drugs,** medical **services or other covered items or services** ~~utilization rates, including as a result of COVID- 19~~ ; • increases in the costs of healthcare facilities and services, medical devices and pharmaceuticals, including as a result of macroeconomic inflationary effects; • changes in our member **demographic** mix, the geographic concentration of our members, and the distribution of members among our plans **; • changes or reductions of our utilization management functions such as preauthorization of services, concurrent review or requirements for physician referrals; • changes in our purchase discounts or pharmacy volume rebates received from drug manufacturers and wholesalers, which are generally passed on to clients in the form of additional price discounts; • increased incidences or acuity of high dollar claims related to catastrophic illnesses or medical conditions, including claims for which we may not have adequate reinsurance coverage** ; • general expansion of the individual health insurance market; • lack of credible data in new ~~markets~~ **regions** or with respect to new plan offerings; • initiation of new Special Enrollment Periods or other unexpected healthcare market developments; • the ~~end~~ **impact** of ~~the temporary suspension of eligibility recertification for~~ Medicaid ~~recipients in response to~~ **redeterminations following the expiration of the federal requirement of continuous coverage during** the COVID- 19 pandemic, which will likely result in an increase in healthcare exchange participation; • the broader competitive landscape, including new membership resulting from other health insurers exiting our markets; • the occurrence of natural disasters, terrorism, **public health emergencies,** major epidemics, pandemics (including related to COVID- 19 and its variants), and the potential effects of climate change; • continued inequity and racial discrimination in the U. S. ~~health~~ **healthcare** ~~care~~ system, and the resulting physical and mental health costs in broader society; • the introduction and adoption of new or costly medical technologies and pharmaceuticals; and • provider **and broker** fraud. **The** ~~On January 30, 2023, the Biden Administration announced that the public health emergency (“~~ PHE ~~”)~~ for COVID- 19 ~~will end~~ **ended** on May 11, 2023. The ~~Commencement~~ **commencement** of **the unwinding of the** Medicaid **continuous enrollment condition under the Families First Coronavirus Response Act and** redeterminations was previously linked to the end of the PHE ~~,~~ **;** however, the omnibus spending bill passed in December 2022 delinked Medicaid redeterminations from the end of the PHE ~~and they are set~~ **. Medicaid redeterminations were required** to begin **by** April 1, 2023 **, and expected to conclude by June 2024. In August 2023, CMS directed certain states to temporarily pause procedural terminations while they addressed issues in the renewal process that led to increased procedural disenrollments** . As **individuals are disenrolled from state Medicaid programs, certain individuals who meet the eligibility requirements may enroll in ACA marketplace plans. 2023 data from CMS on Medicaid redeterminations has shown marginal but consistent increases in ACA plan enrollments among consumers who lost Medicaid or Children' s Health Insurance Program (CHIP) coverage. However, the redeterminations are ongoing, and consumers’ transitions to ACA marketplace plans may contribute to more substantial growth in the ACA marketplace in the future. As** a result, ~~we expect~~ there ~~could~~ **may** be an impact on our ~~expected~~ membership and / or underwriting margin **to the extent that ACA plan enrollments continue to increase as a result of Medicaid redeterminations and drive unanticipated changes in the overall market morbidity. We cannot predict ACA plan enrollment patterns, and the potential impact on the market morbidity resulting in uncertainty in our underwriting margin is uncertain** . Due to the time lag between when services are actually rendered by providers and when we receive, process, and pay a claim for those services, our medical expenses include a provision for claims incurred but not paid. Given the uncertainties inherent in making estimates for such provisions, there can be no assurance that our claims liability estimate will be adequate, and any adjustments to the estimate may unfavorably impact, potentially in a material way, our reported results of operations and financial condition. Further, our inability to estimate our claims liability may also affect our ability to take timely corrective actions, further exacerbating the extent of any adverse effect on our results. We also incur substantial administrative costs, particularly distribution costs, the costs of scaling and improving our operations and the costs of hiring and retaining personnel. External factors, including general economic conditions such as inflation and unemployment levels, are generally beyond our control and could further reduce our ability to accurately estimate and effectively control our administrative expenses, including the cost of our third party vendors. Furthermore, regulatory changes or developments may require us to change our existing practices with respect to broker commissions and could potentially result in a substantial increase in related costs or limit our ability to manage those costs in the future. ~~For instance, on June 7, 2022, the CMS clarified its guidance that paying differential compensation to agents and brokers for coverage in the same benefit year based on whether the enrollment is completed during a Special Enrollment Period or during the Open Enrollment Period is prohibited under federal law. While Oscar had reduced broker commissions as of a certain date in 2022 in certain states for operational and business reasons, as a result of this guidance, Oscar reinstated payment of broker commissions in such states in accordance with the guidance.~~ Any such increase in costs could cause our actual results to differ, potentially materially, from our prior expectations. As a result of our market expansion, expansion of our plan offerings and growth of our membership, our anticipated medical expenses and administrative costs are subject to additional uncertainty. From time to time in the past, our actual results have varied from those expected, particularly in times of significant changes in the number of our members **or when we commence or exit operations in a new state or region** . If it is determined that our estimates are significantly different from actual results, our results of operations and financial position could be adversely affected. We have a history of losses, and we may not achieve or maintain profitability in the future. We have not been profitable **on a total company Adjusted EBITDA basis** since our inception in 2012 and had an accumulated deficit of $ 2. ~~0~~ **6** billion and $ 2. ~~6~~ **9** billion as of December 31, ~~2021 and~~ 2022 **and December 31, 2023** , respectively. We incurred net losses of $ ~~571~~ **609** . ~~4~~ **6** million and $ ~~609~~ **270** . 6 million in the years ended December 31, ~~2021 and~~ 2022 **and 2023** , respectively. In support of our profitability goals, we have taken steps to price for margin expansion ~~, drive down administrative costs and manage our medical costs~~ , and plan to take further actions consistent with a disciplined approach to growth and prioritization of margin in our pricing. We have also taken actions to drive improved performance in our MLR and administrative expense ratio including exiting underperforming markets and optimizing our plan design portfolio to create greater balance towards profitable products. While we **achieved profitability on an Adjusted EBITDA basis for our Insurance business in 2023, and we** believe that we are tracking towards delivering on a critical company milestone of reaching profitability ~~for our Insurance business~~ **on a total company Adjusted EBITDA basis** in ~~2023~~ **2024** ~~, a critical step towards our long- term profitability objectives~~ , we may not achieve ~~our~~ **this** profitability ~~goals~~ - **goal** on a timely basis, or at all **. Even if we achieve profitability on a total company Adjusted EBITDA basis in 2024, we may still incur a net loss** . In addition, we may make additional investments to further market, develop, and expand our business ~~,~~ **. These** ~~including~~ **include** ~~by~~ hiring additional personnel ~~,~~ **;** continuing to develop our **proprietary** full stack technology platform, member engagement engine and operations, **including by utilizing artificial intelligence and machine learning;** acquiring more members ~~,~~ **;** maintaining existing members ~~and~~ **;** investing in partnerships, collaborations and acquisitions ~~, including through~~ **; expanding into additional business lines; and expanding** our Oscar platform **offerings** . The commissions we offer to brokers could also increase significantly as we compete to attract new members. **If our investments are not successful longer- term, our business and financial position may be harmed.** We may not succeed in increasing our revenue or managing our **medical or administrative** costs on the timeline that we expect or in amounts sufficient to reduce our net loss and ultimately become profitable. Moreover, if our revenue declines, we may not be able to reduce costs in a timely manner because many of our costs are fixed, at least in the short- term. If we are unable to manage our costs effectively, this may limit our ability to optimize our business model, acquire new members, enter into Oscar platform arrangements and grow our revenues. Accordingly, despite our best efforts to do so, we may not achieve or maintain profitability, and we may incur further significant losses in the future. Any ~~potential repeal of,~~ changes ~~to, or judicial challenges~~ to the ACA and its regulations ~~,~~ could materially and adversely affect our business, results of operations, and financial condition. For the years ended December 31, **2023 and** 2022 ~~and 2021~~ , approximately **97 %, and** 99 ~~%, and 98~~ %, respectively, of our revenue was derived from sales of health plans subject to regulation under the ACA, primarily comprised of policies directly purchased by individuals and families and secondarily comprised of policies purchased by small employers and provided to their employees as a benefit. Consequently, changes to, or repeal of, portions or the entirety of the ACA and its regulations, as well as judicial interpretations in response to legal and other constitutional challenges, could materially and adversely affect our business and financial position, results of operations, or cash flows. Even if the ACA is not amended or repealed, elected and appointed officials could continue to propose changes **and courts could render opinions,** impacting the ACA, which could materially and adversely affect our business, results of operations, and financial condition. The ACA also established significant subsidies to support the purchase of health insurance by individuals, in the form of advanced premium tax credits, or APTCs, available through Health Insurance Marketplaces. The American Rescue Plan **Act (ARPA)** added additional APTCs for individuals at every household income level for 2021 and 2022; those additional APTCs have been renewed for three years through 2025 under the Inflation Reduction Act of 2022. During ~~the~~ **both** years ended December 31, **2023 and** 2022 ~~and 2021~~ , **approximately 85 % of** the direct policy premiums ~~of approximately 85 % and 73 %, respectively,~~ of our members were subsidized by APTCs. Although **additional ARPA** subsidies have been extended through 2025, the future elimination or reduction of APTCs or other subsidies could make such coverage unaffordable to some individuals and thereby reduce overall participation in the Health Insurance Marketplaces and our membership. These fluctuations could have a significant adverse effect on our business and future operations, and our results of operations and financial condition. Further, the lack of federal funding of cost sharing subsidies could additionally impact Health Insurance Marketplace enrollment. Such market and political dynamics may increase the risk that our Health Insurance Marketplace products will be selected by individuals who have a higher risk profile or utilization rate or lower subsidization rate than we anticipated when we established the pricing for products on Health Insurance Marketplaces, possibly leading to financial losses. Historically, there have been significant efforts to repeal, or limit implementation of, certain provisions of the ACA. Such initiatives include repeal of the individual mandate effective in 2019, as well as easing of the regulatory restrictions placed on short- term limited duration insurance and association health plans, some or all of which may provide fewer benefits than the traditional ACA- mandated insurance benefits. The ACA has also been subject to multiple judicial challenges surrounding its constitutionality. Ongoing political volatility could mean possible changes in state and federal legislation governing Health Insurance Marketplaces. Depending on these changes, this could result in fluctuations in participation from individuals seeking insurance coverage and / or possible non- renewal of existing policies. Because we rely on the Health Insurance Marketplaces, any changes to the ACA that result in reduced membership, or other changes in healthcare law and regulation, could materially and adversely impact our business, financial condition, and results of operations. Risks Related to the Regulatory Framework that Governs Us Our business activities are subject to ongoing, complex, and evolving regulatory obligations, and to continued regulatory review, which result in significant additional expense and the diversion of our management' s time and efforts. If we fail to comply with regulatory requirements, or are unable to meet performance standards applicable to our business, our operations could be disrupted or we may become subject to significant penalties. We operate in a highly regulated industry and we must comply with numerous and complex state and federal laws and regulations to operate our business, including requirements to maintain or renew our regulatory approvals or obtain new regulatory approvals to sell insurance and to sell specific health plans. The NAIC has adopted the Annual Financial Reporting Model Regulation, or the Model Audit Rule, which, where adopted by states, requires expanded governance practices, risk and solvency assessment reporting, and filing of periodic financial and operating reports. Most states have adopted these or similar measures to expand the scope of regulations relating to corporate governance and internal control activities of ~~HMOs~~ **health maintenance organizations** and insurance companies. We are also required to notify, or obtain approval from, federal and / or state regulatory authorities prior to taking various actions as a business, including making changes to our network, service offerings, and the coverage of our health plans, as well as prior to entering into relationships with certain vendors and health organizations. Delays in obtaining or failure to obtain or maintain these approvals could reduce our revenue or increase our costs. Existing or future laws and rules could also require or lead us to take other actions such as changing our business practices, and could increase our liability. The ACA implemented certain requirements for insurers, including ~~changes to Medicare Advantage payments,~~ a minimum MLR provision that requires insurers to pay rebates to consumers when insurers do not meet or exceed specified annual MLR thresholds, and anti- discrimination protections on the basis of race, color, national origin, sex, age, and disability, which may impact the manner in which health insurers receiving any form of federal financial assistance design and implement their benefit packages. Further, the ACA imposes significant fees, assessments, and taxes on us and other health insurers, plans and other industry participants. Additionally, there are numerous steps federal and state regulators require for continued implementation of the ACA including the annual federal updates to implementing market regulations via the Notice of Benefit and Payment Parameters. If we fail to effectively implement or appropriately adjust our operational and strategic initiatives with respect to the implementation of ~~health~~ **healthcare** ~~care~~ reform, or do not do so as effectively as our competitors, our results of operations may be materially and adversely affected. **Healthcare** ~~We also offer Medicare Advantage plans, which requires us to comply with a myriad of rules, regulations, and subregulatory guidance, as well as third party and publicly administered performance standards. In urbanized areas, Medicare Advantage plans must be capable of enrolling at least 5, 000 beneficiaries. CMS can waive this minimum enrollment requirement for the first three years of the contract. If we fail to enroll the minimum number of beneficiaries, CMS may elect not to renew our Medicare Advantage contracts. In addition, a portion of each Medicare Advantage plan' s reimbursement is tied to the plan' s Star Rating, as published by CMS, with those plans receiving a rating of four (4. 0) or more stars eligible for quality- based bonus payments. A plan' s Star Rating affects its image in the market, and plans that achieve higher Star Ratings are able to offer enhanced benefits and market more effectively and, as a result, may have a competitive advantage over plans with lower Star Ratings. Medicare Advantage plans with Star Ratings of less than three (3. 0) stars for three consecutive years are denoted as " low performing " plans on the CMS website and in the CMS " Medicare and You " handbook and CMS has the authority to terminate the Medicare Advantage contracts for such plans. For plan year 2023, our New York and Texas Medicare Advantage plans received a 3. 5 Star Rating. New York earned 3 Stars in Part C and 4 Stars in Part D, while Texas earned 3. 5 Stars in both Part C and D. The Florida Medicare Advantage plan is too small and new to earn an overall Star Rating, but it did earn a Part D only rating of 2. 5 Stars. The Star Rating system is subject to change annually by CMS, which may make it more difficult to achieve and maintain favorable Star Ratings in the future. Our health insurance subsidiaries' operating results, premium revenue, and benefit offerings will likely depend significantly on their Star Ratings, and there can be no assurances that we will be successful in achieving favorable Star Ratings or maintaining or improving our Star Ratings once achieved. Similarly, health care~~ accreditation entities **,** such as the National Committee for Quality Assurance (" NCQA "), evaluate health plans based on various criteria, including effectiveness of care and member satisfaction. Health insurers seeking accreditation from NCQA must pass a rigorous, comprehensive review, and must annually report their performance. If we fail to achieve and maintain accreditation from agencies, such as NCQA, we could lose the ability to offer our health plans on Health Insurance Marketplaces, or in certain jurisdictions, which would materially and adversely affect our results of operations, financial position, and cash flows. In addition, in each of the markets in which we operate, we are regulated by the relevant insurance and / or health and / or human services, or other government departments that oversee the activities of insurance and / or healthcare organizations providing or arranging to provide services to ~~Medicare Advantage members,~~ Health Insurance Marketplace enrollees ~~,~~ or other beneficiaries. For example, our health insurance subsidiaries must comply with minimum statutory capital and other financial solvency requirements, such as deposit and surplus requirements, and related reporting requirements, as well as price transparency requirements that mandate publication or disclosure of information related to the pricing or costs of covered items or services. In October 2020, HHS issued a health transparency regulation which went into effect in July 2022 (the " Health Plan Transparency Rule "). The Health Plan Transparency Rule requires monthly disclosures of, among other things, detailed pricing information regarding our negotiated rates for all covered items and services with in- network providers and historical payments to, and billed charges from, out- of- network providers. Additional disclosures under the Health Plan Transparency Rule went into effect in 2023 (personalized out- of- pocket cost information and negotiated rates for specified healthcare items and services) and will be further expanded in 2024 (all items and services). In December 2020, Congress passed the No Surprises Act, which **became effective on January 1, 2022, and** requires health insurers to hold members harmless for out- of- network costs in certain circumstances, and requires that insurers and healthcare providers work to agree on out- of- network reimbursement, including through utilizing the independent dispute resolution process outlined in the No Surprises Act or a similar process established under applicable state law ~~. The No Surprises Act became effective on January 1, 2022~~ . Many states have enacted separate legislation addressing balance billing or surprise medical bills. These laws and regulations vary in their approach, resulting in different impacts on the ~~health~~ **healthcare** ~~care~~ system as a whole. Our health insurance subsidiaries must also comply with numerous statutes and regulations governing the sale, marketing, and administration of insurance. We have **failed** in the past, and we may in the future ~~,~~ fail **,** to take actions mandated by federal and / or state laws or regulations with respect to changes in our health benefits, the health insurance policies for which individuals are eligible, proposed or actual premiums, and / or other aspects of individuals' health insurance coverage. Such failures may result in our having to take corrective action, including making remediation payments to our members or paying fines to regulators, may subject us to negative publicity, or may result in the inability to offer our health plans on Health Insurance Marketplaces **. Given the complex nature of insurance regulation, we have in the past, and may in the future, misinterpret or misapply new laws and regulations, which could result in operational costs or financial impacts, as well as fines and penalties** . Any such failures could also negatively impact our ability to service our existing Oscar platform arrangements and enter into new arrangements. Changes or developments in the health insurance markets in the United States, including passage and implementation of a law to create a single- payer or government- run health insurance program, could materially and adversely harm our business and operating results. Our business is within the public and private sectors of the U. S. health insurance system, which are evolving quickly and subject to a changing regulatory environment, and our future financial performance will depend in part on growth in the market for private health insurance, as well as our ability to adapt to regulatory developments. The healthcare regulatory landscape can change unpredictably and rapidly due to changes in political party legislative majorities or executive branch administrations at the state or federal level in the United States and could, among other things: • require us to restructure our relationships with providers within our network; • require us to contract with additional providers at unfavorable terms; • require us to cover certain forms of care provided by out- of- network providers at rates or levels indicated by rule or statute; • require us to implement changes to our healthcare services and types of coverage, including the offering of standardized plans in addition to or in lieu of non- standardized benefit plan offerings, or prevent us from innovating and implementing technology solutions; • require us to provide healthcare coverage to a higher risk population without the opportunity to adjust our premiums; • require us to **change our telehealth delivery methods and payment models; • require us to** implement costly processes and compliance infrastructure; • require us to make changes that restrict revenue and enrollment growth; • increase our sales, marketing, and administrative costs, including costs attributable to broker commissions; • impose additional capital and surplus requirements, which may require us to incur additional indebtedness, sell capital stock, or access other sources of funding; • make it more difficult to obtain regulatory approvals to operate our business or maintain existing regulatory approvals; • prevent or delay us from entering into new service areas or product lines; and • increase or change our liability to members in the event of malpractice by our contracted providers. Changes and developments in the health insurance system in the United States and the states in which we operate could also reduce demand for our services and harm our business. For example, certain elected officials have introduced proposals for some form of a single public or quasi- public agency that organizes healthcare financing, but under which healthcare delivery would remain private, and certain states have proposed, and in some cases passed, legislation creating a public option for individual and small group plans. As the regulatory and legislative environments within which we operate are evolving, we may not be able to ensure timely compliance with such changes **, or we may not effectively or correctly operationalize such changes,** due to limited resources. Furthermore, we may face challenges prioritizing the allocation of resources between implementing systems responsive to new legislative or regulatory requirements, focusing on growth- related operations and implementing management systems and controls related to being a public company. In addition, changes to government policies not specifically targeted to the healthcare industry, such as a change in tax laws and the corporate tax rate **, premium tax rate,** or government spending cuts, could have significant impacts on our business, results of operations, financial condition and liquidity. If we **or any of our vendors** fail to comply with ~~applicable privacy, security, and data~~ laws, regulations and standards **relating** ~~, including with respect~~ to **the handling of** ~~third- party service providers that utilize sensitive personal~~ information **about individuals** ~~on our behalf,~~ or applicable consumer protection laws, **we may face significant liability, negative publicity, and / or erosion of trust, which could materially affect** our business, reputation, results of operations, financial position, and cash flows ~~could be materially~~ **; additionally, compliance with these laws, regulations,** and ~~adversely affected~~ **standards involves significant expenditure and resources** . As part of our normal operations, we collect, receive, use, maintain, handle, transmit, process, and retain, which collectively in this risk factor we refer to as " Process " or " Processing, " personal, medical, sensitive and other confidential information about individuals. We **also depend on a number of third party vendors in relation to the operation of our business, a number of which process data on our behalf. We and our vendors** are subject to various federal and state laws ~~and~~ **, regulations,** rules ~~regarding~~ **, and industry standards and** ~~the~~ **other** ~~Processing~~ **requirements including those that apply generally to the handling** of ~~confidential~~ information about individuals **, and those that are specific to certain industries, sectors, contexts, or locations** . These laws and regulations include, among others, the **Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (together "** HIPAA **")** , the **California Consumer Privacy Act of 2018 ("** CCPA **")** and the **California Privacy Rights Act of 2023 ("** CPRA **"). These requirements, and their application, interpretation and amendment are constantly evolving and developing** . HIPAA imposes privacy, security and breach notification obligations on " covered entities, " including certain healthcare providers, health plans and healthcare clearinghouses, and their respective " business associates " that Process individually identifiable health information for or on behalf of a covered entity, as well as their covered subcontractors with respect to safeguarding the privacy, security and transmission of individually identifiable health information. HIPAA requires covered entities and business associates to develop and maintain policies and procedures with respect to the protection of, use and disclosure of **protected health information ("** PHI **")** , and to implement administrative, physical, and technical safeguards to protect PHI, including PHI Processed in electronic form, and to adhere to certain notification requirements in the event of a breach of unsecured PHI **. In order to comply with HIPAA' s requirements, we must maintain adequate privacy and security measures, which require significant investments in resources and ongoing attention** . Additionally, under HIPAA, health insurers and other covered entities are also required to report breaches of PHI to affected individuals without unreasonable delay, not to exceed 60 days following discovery of the breach by a covered entity or its agents. Notification also must be made to the HHS- Office for Civil Rights and prominent media outlets in any states where 500 or more people are impacted by the breach **. A non- permitted use or disclosure of PHI is presumed to be a breach under HIPAA unless the covered entity establishes that there is a low probability the information has been compromised consistent with requirements enumerated in HIPAA** . Ongoing review and oversight of these measures involves significant time, effort, and expense. Entities that are found to be in violation of HIPAA as the result of a breach of unsecured PHI or following a complaint about privacy practices or an audit by the HHS, may be subject to significant civil, criminal and administrative fines and penalties and / or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non- compliance. HIPAA also authorizes state Attorneys General to file suit on behalf of their residents. Courts may award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI. In addition, we are subject to the CCPA, which became effective as of January 1, 2020. The CCPA gives California residents expanded rights to access and require deletion of their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA also provides for civil penalties for violations, as well as a private right of action for data breaches that may increase data breach litigation. Additionally **,** the CPRA **became** ~~was passed in November 2020. Effective~~ **effective** ~~starting~~ on January 1, 2023, ~~the CPRA~~ **and it** ~~imposes~~ **imposed** additional obligations on companies covered by the legislation and ~~will~~ significantly ~~modify~~ **modified** the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also ~~creates~~ **created** a new state agency that **is** ~~will be~~ vested with **the** authority to implement and enforce the CCPA and the CPRA. **Compliance with** ~~The effects of~~ the CCPA and the CPRA ~~are potentially significant and~~ may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses ~~in an~~ **and may** ~~effort to comply and~~ increase our potential exposure to regulatory enforcement and / or litigation. The CCPA and CPRA contain exemptions to which our business is subject, such as for medical information governed by the California Confidentiality of Medical Information Act, and for PHI collected by a covered entity or business associate governed by the privacy, security, and breach notification rule established pursuant to HIPAA; however, information we hold about individual residents of California that is not subject to such exceptions (or another applicable exception) would be subject to the CCPA and CPRA. Certain other state laws also regulate issues related to consumer privacy, security and use of personal and medical information; **additional** ~~we expect~~ states **have** ~~to continue to enact~~ **enacted** legislation similar to the CCPA and CPRA that provides consumers with new privacy rights and increases the privacy and security obligations of entities handling certain personal information of such consumers. For example, laws similar to the CCPA and CPRA have passed in Virginia **, Connecticut, Texas, Utah,** and Colorado, and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. Such legislation may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and / or changes in business practices and policies **. Further, in order to comply with the varying state laws around data breaches, we must maintain adequate security measures, which require significant investments in resources and ongoing attention** . We are also subject to other laws, regulations and industry standards that govern our business practices, including the Telephone Consumer Protection Act (" TCPA "), which restricts the use of automated tools and technologies to communicate with wireless telephone subscribers or communications services consumers generally, the CAN- SPAM Act, which regulates the transmission of marketing emails, and the **Payment Card Industry ("** PCI **")** Data Security Standard, which is a multifaceted security standard that is designed to protect credit card account data as mandated by PCI entities. We may become subject to claims that we have violated these laws and standards, based on our or our vendors' past, present, or future Processing business practices, **and these claims, whether or not they have merit, could expose us to substantial statutory damages or costly settlements,** which could have **a material** ~~an~~ **and** adverse impact on our business and reputation, subject us to fines and / or require us to change our business practices. The regulatory framework governing the Processing of certain information, particularly financial and other personal information, is rapidly evolving and is likely to continue to be subject to uncertainty and varying interpretations **, including in the context of artificial intelligence where regulators are applying existing frameworks to new technology and innovation** . It is possible that these laws, regulations and standards may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our services and platform capabilities. We may face challenges in addressing current and evolving requirements and making necessary changes to our policies and practices, and may incur significant costs and expenses in our effort to do so. Any failure or perceived failure by us, or any third parties with which we do business, to comply with our posted privacy policies, changing consumer expectations, evolving laws, rules and regulations, industry standards, or contractual obligations to which we or such third parties are or may become subject, may result in actions or other claims against us by governmental entities or private actors, the expenditure of substantial costs, time and other resources or the incurrence of significant fines, penalties or other liabilities. **If** ~~In addition,~~ any **of** ~~such action, particularly to the~~ **these events** ~~extent we~~ were ~~found~~ to **occur** ~~be guilty of violations or otherwise liable for damages~~ , ~~would damage~~ our reputation **,** ~~and adversely affect our~~ business, financial condition and results of operations **could be materially adversely affected** . As we expand our customer base and enter into Oscar platform arrangements, we may become subject to an increasingly complex array of data privacy and security laws and regulations, further increasing our cost of compliance and doing business. Differing laws in each jurisdiction in which we do business and changes to existing laws and regulations may also impair our ability to offer our existing or planned features, products and services and increase our cost of doing business. We are subject to extensive fraud, waste, and abuse laws that may require us to take remedial measures or give rise to lawsuits **, audits, investigations** and claims against us, the outcome of which may have a material adverse effect on our business, financial condition, cash flows, or results of operations. Because we receive payments from federal governmental agencies, we are subject to various laws commonly referred to as " fraud, waste, and abuse " laws, including the federal Anti- Kickback Statute, the federal Physician Self- Referral Law ~~, or~~ **("** Stark Law **")** , and the **False Claims Act ("** FCA **")** . These laws permit the **Department of Justice ("** DOJ **")** , the **HHS Office of Inspector General ("** HHS- OIG **")** , CMS, and other enforcement authorities to institute a claim, action, investigation, or other proceeding against us for violations and, depending on the facts and circumstances, to seek treble damages, criminal and civil fines, penalties, and assessments **, including for any alleged violations that occurred while we offered Medicare Advantage plans** . Violations of these laws can also result in exclusion, debarment, temporary or permanent suspension from participation in government healthcare programs, the institution of

corporate integrity agreements (“ CIAs **”)** , and / or other heightened monitoring of our operations. Liability under such statutes and regulations may arise, among other things, if we knew, or it is determined that we should have known, that information we provided to form the basis for a claim for government payment was false or fraudulent, or that we were out of compliance with program requirements considered material to the government’ s payment decision. Fraud, waste and abuse prohibitions encompass a wide range of activities, including, but not limited to, kickbacks or other inducements for referral of members or for the coverage of products (such as prescription drugs) by a plan, billing for unnecessary medical services by a healthcare provider, payments made to excluded providers, and improper marketing and beneficiary inducements **. In certain years prior to plan year 2024, our business offerings included Medicare Advantage plans** . The DOJ and the HHS- OIG have continuously increased their scrutiny of healthcare payors and providers, and Medicare Advantage insurers, under the FCA, in particular, which has led to a number of investigations, prosecutions, convictions, and settlements in the healthcare industry. In particular, there has recently been increased scrutiny by the government on health insurers’ diagnosis coding and risk adjustment practices, particularly for Medicare Advantage plans. In some proceedings involving Medicare Advantage plans, there have been allegations that certain financial arrangements with providers violate other laws governing fraud and abuse, such as the federal Anti- Kickback Statute. We expect this trend to continue. In addition, under applicable regulatory requirements and our policies, we must take appropriate measures to determine whether there is credible evidence that any of our members, particularly those who receive federal subsidies, were enrolled by brokers without their authorization. In such cases, we conduct certain outreach procedures under our policies and refer instances of potentially unauthorized enrollment to the appropriate authorities for potential rescission, which may also entail retroactive adjustment of membership numbers. Our failure to take appropriate measures to refer cases of fraud, waste and abuse to the relevant authorities when we are required to do so may subject us to corrective actions, including regulatory enforcement, fines and penalties, adverse publicity and other effects that could materially harm our business. Health insurers are required to maintain compliance programs to prevent, detect and remediate fraud, waste, and abuse, and are often the subject of fraud, waste, and abuse investigations and audits. We are periodically subject to government audits, including CMS **Risk Adjustment Data Valuation (“** RADV **”)** audits of our ACA ~~and Medicare Advantage Plans~~ **plans** to validate diagnostic data, patient claims and financial reporting, and **we may be subject to ongoing RADV** audits ~~of~~ **related to** our **historical Medicare Advantage plans and audits of our historical** Medicare Part D plans by the Medicare Part D Recovery Audit Contractor (“ RAC ”) programs authorized by the ACA. These audits could result in significant adjustments in payments made to our health plans, which could adversely affect our financial condition and results of operations. If we fail to report and correct errors discovered through our own auditing procedures or during a RADV or RAC audit, or otherwise fail to comply with applicable laws and regulations, we could be subject to fines, civil penalties or other sanctions which could have a material adverse effect on our ability to participate in these programs, and on our financial condition, cash flows and results of operations. On November 24, 2020, CMS issued a final rule that amends the RADV program by: (i) revising the methodology for error rate calculations beginning with the 2019 benefit year; and (ii) changing the way CMS applies RADV results to risk adjustment transfers beginning with the 2020 benefit year. According to CMS, these changes are designed to give insurers more stability and predictability with respect to the RADV program and promote fairness in how health insurers receive adjustments. CMS has also announced a policy that payment adjustments as a result of RADV audits will not be limited to the specific MA enrollees for which errors are found but may also be extrapolated to the entire MA plan subject to a particular CMS contract. Based on a ~~recent~~ final rule issued by CMS in January 2023, although 2011 to 2017 plan years are still subject to audit, overpayments to MA plans that are identified as a result of RADV audit will only be subject to extrapolation for plan year 2018 and any subsequent plan year. In addition, CMS will not apply an adjustment factor, known as a Fee- For- Service Adjuster, in RADV audits to account for potential differences in diagnostic coding between the Medicare Advantage program and Medicare fee- for- service program. The future impact of these changes remains unclear, and CMS and HHS- OIG policies and procedures for conducting RADV audits remain subject to change. These changes and any future changes to the RADV program may ultimately impact expected transfers to or from health insurers resulting from these retrospective program adjustments. The regulations, contractual requirements, and policies applicable to participants in government healthcare programs are complex and subject to change. Moreover, many of the laws, rules, and regulations in this area have not been well- interpreted by applicable regulatory agencies or the courts. Additionally, the significant increase in actions brought under the FCA’ s “ whistleblower ” or “ qui tam ” provisions, which allow private individuals to bring actions on behalf of the government, has caused greater numbers of healthcare companies to have to defend a false claim action, pay fines, or agree to enter into a CIA to avoid being excluded from Medicare and other state and federal ~~health~~ **healthcare** ~~care~~ programs as a result of an investigation arising out of such action. Health plans and providers often seek to resolve these types of allegations through settlement for significant and material amounts, even when they do not acknowledge or admit liability, to avoid the uncertainty of treble damages that may be awarded in litigation proceedings. Such settlements often contain additional compliance and reporting requirements as part of a consent decree or settlement agreement, including, for example, CIAs, deferred prosecution agreements, or non- prosecution agreements. If we are subject to liability under qui tam or other actions or settlements, our business, financial condition, cash flows, or results of operations could be adversely affected. We anticipate continued scrutiny by the HHS- OIG and the DOJ in the areas of ~~COVID- 19- related~~ fraud, waste, and abuse, including the use of telehealth and telemedicine- based treatment, and we may be subject to audits, reviews and investigations of our ~~COVID- 19 and~~ telehealth coverage and payment practices and arrangements by government agencies. Risks Related to our Business If we are unable to arrange for the delivery of quality care, and maintain good relations with the physicians, hospitals, and other providers within and outside our provider networks, or if we are unable to enter into cost- effective contracts with such providers, **or if we lose any of our limited number of in- network providers,** our profitability could be adversely affected. Our profitability depends, in large part, upon our ability to contract at competitive prices with hospitals, physicians, and other ~~health~~ **healthcare** ~~care~~ providers, such that we can provide our members with access to competitive provider networks at affordable prices. Our arrangements with ~~health~~ **healthcare** ~~care~~ providers generally may be terminated or not renewed by either party without cause upon prior written notice. If a provider agreement were terminated, such termination could adversely impact the ~~adequacy~~ **breadth** of our network to service our members, and may put us at risk of non- compliance with applicable federal and state **network adequacy** laws. We cannot provide any assurance that we will be able to renew our existing contracts or enter into new contracts on a timely basis or under favorable **reimbursement rates and** terms enabling us to service our members profitably in the future. ~~Health~~ **Healthcare** ~~care~~ providers within our provider networks may not properly manage the costs of services, maintain financial solvency or avoid disputes with other providers or their federal and state regulators. Any of these events could have a material adverse effect on the provision of services to our members and our operations. In any particular market or geography, physicians and other ~~health~~ **healthcare** ~~care~~ providers could refuse to contract, demand higher payments, demand favorable contract terms, or take other actions that could result in higher medical costs or difficulty in meeting regulatory or accreditation requirements, among other things. In some markets and geographies, certain ~~health~~ **healthcare** ~~care~~ providers, particularly hospitals, physician / hospital organizations, or multi- specialty physician groups, may have significant positions or near monopolies that could result in diminished bargaining power on our part **during contract negotiations** . In addition, physicians, hospitals and other ~~health~~ **healthcare** ~~care~~ providers may, consolidate or merge, or form or enter into accountable care organizations, clinically integrated networks, independent practice associations, practice management companies (which aggregate physician practices for administrative efficiency and marketing leverage), and other organizational structures, which may adversely impact our relationships with these providers or affect the way that we price our products and estimate our costs. Any such impacts might require us to incur costs to change our operations, place us at a competitive disadvantage, or materially and adversely affect our ability to market **affordable** products or to be profitable in those areas. The insolvency of one of our partners or providers, including providers with which we have a ~~fixed PMPM capitation arrangement or those which we have transitioned to a~~ value- based care ~~model~~ **arrangement** , could expose us to material liabilities. Providers may **be unable or unwilling to pay liabilities owed to us under value- based care arrangements. Providers may also** be unable or unwilling to pay claims they have incurred with third party providers in connection with referral services provided to our members. Depending on state law, we may be held liable for such unpaid referral claims even though the delegated provider has contractually assumed such risk, or we may opt to pay such claims even when we have no obligation to do so due to competitive pressures. Such liabilities incurred or losses suffered as a result of provider insolvency or other circumstances could have a material adverse effect on our business, financial condition, cash flows, or results of operations. In addition, from time to time, we are **, and may in the future continue to be,** subject to class action or other lawsuits by ~~health~~ **healthcare** ~~care~~ providers with respect to claims payment procedures, **including the rate at which claims were reimbursed,** reimbursement policies, network participation, **or breach of contract allegations** or similar matters. Regardless of whether any such lawsuits brought against us are successful or have merit, they will be time- consuming and costly, and could have an adverse impact on our reputation. As a result, under such circumstances, we may be unable to operate our business effectively. Some providers that render services to our members are not contracted with our health insurance subsidiaries. While our health insurance subsidiaries are required to meet various federal and state requirements regarding the size and composition of our participating provider networks, we generally contract with a select subset of, and not all, systems and providers in a given area. This allows us to work more closely with high quality ~~health~~ **healthcare** ~~care~~ systems that engage with us using our technology. That approach, however, makes it possible that our members will receive emergency services, or other services which we are required to cover by law or by the terms of our health plans, from providers who are not contracted with our health insurance subsidiaries ~~. This situation is more likely for our members than for members who choose a plan from a competitor of ours with a broader network~~ . In those cases, there is no pre- established contractual understanding between the provider and our health insurance subsidiary about the amount of compensation that is due to the provider. In some states, and under federal law for our business subject to the No Surprises Act ~~and our Medicare Advantage business~~ , the amount of compensation **and / or process to dispute out- of- network reimbursement amounts** is defined by law or regulation. In certain situations, our health insurance subsidiaries are required to hold our members harmless for out- of- network costs, and to work directly with ~~health~~ **healthcare** ~~care~~ providers within the confines of state law or the No Surprises Act' s dispute resolution process to agree on reimbursement. Reimbursement for these out- of- network costs can be significant. It is difficult to predict the amount we may have to pay to out- of- network providers. The uncertainty of the amount to pay to such providers and the possibility of subsequent adjustment of the payment could materially and adversely affect our business, financial condition, cash flows, or results of operations. **Additionally** ~~Our revenue depends on the direct policy premiums we collect from members who obtain health care services from a limited number of in- network providers~~ , **substantially** ~~and the loss of any of these providers could result in a material reduction of our membership, which would adversely impact our revenue and operating results. Almost~~ all of our revenue depends on the direct policy premiums we collect from members or from the federal government on behalf of our members who obtain ~~health~~ **healthcare** ~~care~~ services from a limited number of providers with whom we contract. We generally manage our provider contracts on a state- by- state basis, entering into separate contracts in each state with local affiliates of a particular provider, such that no one local provider contract receives a majority of our allowed medical costs for services rendered to our members. When aggregating the payments we make to each provider through its local affiliates, AdventHealth, HCA Healthcare and ~~Atlantic Coast Healthcare Network (ACHN)~~ **University of Miami Hospital & Medical Group** accounted for a total of approximately ~~16~~ **15** %, ~~10~~ **9** % and ~~6~~ **9** %, respectively, of total allowable medical costs for the ~~year~~ **three months** ended December 31, ~~2022~~ **2023 ,** and approximately ~~17~~ **14** %, ~~10~~ **9** % and ~~5~~ **8** %, respectively, of total allowable medical costs for the year ended December 31, ~~2021~~ **2023 . Advent Health, HCA Healthcare, and Atlantic Coast Health Network (" ACHN ") accounted for approximately 15 %, 10 % and 6 %, respectively, of total allowable medical costs for the year ended December 31, 2022** . We believe that a majority of our revenue will continue to be derived from direct policy premiums obtained from members who receive services from a concentrated number of providers. These providers may terminate or seek to terminate their contracts with us in the future. The sudden loss of any of our providers or the renegotiation of **related** ~~any of our~~ provider contracts could adversely impact our reputation or the breadth **of access** and perceived quality of our provider networks, which could result in a loss of a membership that adversely affects our revenue and operating results. The result of risk adjustment programs may impact our revenue, add operational complexity, and introduce additional uncertainties that have a material adverse effect on our results of operations, financial condition, and cash flows. The ~~Individual~~ **individual** ~~,~~ **and** ~~Small~~ **small** ~~Group~~ **group markets we serve** , and **the** Medicare Advantage markets we **formerly** ~~serve~~ **served ,** employ risk adjustment programs that impact the revenue we recognize for our enrolled membership **. We reassess the estimates of the risk adjustment settlements each reporting period and any resulting adjustments are made to premium revenue** . As a result of the variability in the mechanics of the program itself, or of certain factors that go into the development of the risk transfers we recognize, such as risk scores, and other market- level factors where applicable, the actual amount of revenue could be materially more or less than our estimates. Consequently, our estimate of our health plans' risk scores for any period, and any resulting change in our accrual of revenues related thereto, could have a material adverse effect on our results of operations, financial condition, and cash flows. The data provided to CMS to determine the risk score are subject to audit by CMS even several years after the annual settlements occur. **Accordingly, we may continue to be subject to audits related to the Medicare Advantage plans that we historically offered.** If the risk adjustment data we submit are found to incorrectly overstate the health risk of our members, we may be required to refund funds previously received by us and / or be subject to penalties or sanctions, including potential liability under the FCA, which could be significant and would reduce our revenue in the year that repayment or settlement is required. Further, if the data we provide to CMS incorrectly understates the health risk of our members, we might be underpaid for the care that we must provide to our members, which could have a negative impact on our results of operations and financial condition . Adverse market conditions may result in...... on favorable terms, or at all . If state regulators do not approve payments of dividends and distributions by our health insurance subsidiaries to us, or do not approve other capital efficiency structures we may pursue, we may not have sufficient funds to implement our business strategy. As we operate as one or more holding companies and we principally generate revenue through our health insurance subsidiaries, we are regulated under state insurance holding company laws. **As** ~~Although most of~~ our subsidiaries **have** ~~are not currently profitable, in the future, if they~~ become profitable **, or as some become profitable in the future,** or if our current levels of reserves and capital ~~become~~ **are in** ~~excessive~~ --- **excess of our requirements** , we may make **periodic** requests for dividends and distributions from our subsidiaries to fund our operations. In addition to state corporate law limitations, these subsidiaries are subject to more stringent laws ~~and~~ **,** regulations **and consent orders** that may restrict the ability to pay or limit the amount of dividends and distributions that can be paid to us without prior approval of, or notification to, state regulators, including mandatory statutory capital and surplus requirements. As and to the extent ~~we~~ **our subsidiaries have, and will** become profitable, we may increasingly rely on distributions from our subsidiaries, and if regulators were to deny our subsidiaries' requests to pay dividends, the funds available to us would be limited, which could harm our ability to implement our business strategy **or fund our operations** . In addition, we may from time to time pursue structures to enable a more efficient use of the capital in our insurance subsidiaries, including risk pooling, affiliate reinsurance **, entity consolidation** , or entity stacking. Any such structure would require regulatory approval, and if regulators were to deny our requests, our ability to implement our business strategy **or fund our operations** would be harmed. Furthermore we have, and we may in the future, enter into tax allocation agreements between our Parent and our insurance subsidiaries, which agreements require regulatory approval, and there is no guarantee that Parent will be able to obtain the tax sharing payments from its subsidiaries under such agreements. Our limited operating history makes it difficult...... condition, and results of operations. We utilize quota share reinsurance to ~~reduce~~ **meet** our capital and surplus requirements and protect against downside risk on medical claims. If regulators do not approve our reinsurance agreements for this purpose, or if we cannot negotiate renewals of our quota share arrangements on acceptable terms, or at all, enter into new agreements with reinsurers, or otherwise obtain capital through debt or equity financings, our capital position would be negatively impacted, and we could fall out of compliance with applicable regulatory requirements. We enter into quota share reinsurance arrangements to ~~reduce~~ **meet** our capital and surplus requirements, which enables us to more efficiently deploy capital to finance our growth, and to obtain protection against downside risk on medical claims. Our reinsurers are entitled to a portion of our premiums, but also share financial responsibility for ~~health~~ **healthcare** ~~care~~ costs incurred by our members. Our decisions on claims payments are binding on the reinsurer with the exception of any payments by us that are not required to be made under the member' s policy. The amount of business ceded under our reinsurance arrangements can vary significantly from year to year. Because reinsurers are entitled to a portion of our premiums under our quota share reinsurance arrangements, changes in the amount of premiums ceded under these arrangements may directly impact our net premium and / or net income estimates. Reductions in the amount of premiums ceded under quota share reinsurance arrangements may result in an increase to our minimum capital and surplus requirements, and an increase in corresponding capital contributions made by Parent to our health insurance subsidiaries. If our reinsurers consistently and successfully dispute our obligations to make a claim payment under a given policy, if we cannot renegotiate renewals of our quota share reinsurance arrangements on acceptable terms, if reinsurers terminate their arrangements with us, if we are unable to enter into reinsurance arrangements with other reinsurers, or if our reinsurance arrangements are not approved by any of our regulators (or if our regulators take a different view, whether prospectively or retroactively, with respect to the capital treatment of our reinsurance agreements), we may need to raise additional capital to comply with applicable regulatory requirements, which could be costly. For example, we estimate that had we not had any quota share reinsurance arrangements in place, the insurance subsidiaries would have been required to hold approximately $ 447 **. 1** million of additional capital as of December 31, ~~2022~~ **2023** , which Parent would have been required to fund to the extent the applicable insurance subsidiary did not have excess capital to cover the requirement. If we are not able to comply with our funding requirements, we would have to enter into a corrective action plan or cease operations in jurisdictions where we could not comply with such requirements. Termination of our reinsurance arrangements would also increase our exposure to volatility in medical claims. As a result, termination of our reinsurance arrangements through one or more of these scenarios could harm our business, results of operations, and financial condition. While our financial reporting is based on U. S. GAAP, our ability to receive capital reserve credit for a particular state subsidiary for our reinsurance agreements is determined by Statutory Accounting Principles, which are dependent upon state-specific laws and regulations, as interpreted and applied by state insurance regulators. In some states we are required to seek approval in advance of entering into reinsurance agreements; in others we are not, which means that we may learn of regulators' concerns after the effective date of certain reinsurance agreements. From time to time, we include state- specific provisions in, or subsequently make state- specific amendments to, our reinsurance agreements to reflect capital reserve credit requirements imposed by particular state regulators, or may need to book additional reserves or liabilities to our insurance company statutory financial statements to address regulatory requirements or standards. The net economic effect of such provisions, amendments or actions may not be commercially favorable, and in some instances we have chosen, and may in the future choose, not to enter into certain types of reinsurance agreements, not to seek statutory reserve credit under certain agreements, or to terminate existing agreements rather than include provisions or make amendments required by a particular state in order to receive statutory reserve credit. As described above, any such decision or action would result in an increase in required capital in our insurance subsidiaries, which may be material. Our reinsurance arrangements also subject us to various obligations, representations, and warranties with respect to the reinsurers. Reinsurance does not relieve us of liability as an insurer. If a reinsurer fails to meet its obligations under the reinsurance contract or if the liabilities exceed any applicable loss limit, we remain responsible for covering the claims on the reinsured policies. Additionally, our exposure under reinsurance arrangements may at times be disproportionately concentrated with a single reinsurer. Although we regularly evaluate the financial condition of reinsurers to minimize exposure to significant losses from reinsurer insolvencies, reinsurers may become financially unsound. If a reinsurer fails to meet its obligations or becomes financially unsound, we may have to cover the claims on such reinsured policies, which may be material. **.** Adverse market conditions may result in our investment portfolio suffering losses or reduce our ability to meet our financing needs,which could materially and adversely affect our results of operations or liquidity.We need liquidity to pay our operating expenses,make payments on our indebtedness,if any,and pay capital expenditures.The principal sources of our cash receipts are premiums,administrative fees,investment income,proceeds from borrowings and proceeds from the issuance of capital stock.We maintain a significant investment portfolio of cash equivalents and primarily short- term investments in a variety of securities,which are subject to general credit,liquidity,market,and interest rate risks and will decline in value if interest rates decrease or one of the issuers' credit ratings is reduced.As a result,we may experience a reduction in value or loss of our investments,which could have a materially adverse effect on our results of operations,liquidity,and financial condition.In addition,during periods of increased volatility, **such as the current macroeconomic environment,** adverse securities and credit markets,including ~~those~~ due to rising interest rates,may exert downward pressure on the availability of liquidity and credit capacity for certain issuers. **Further,** ~~While we have extended the maturity date of~~ our Revolving Credit Facility **expires in February** ~~to December 28,2025~~ **2024** , **and** our ~~ability~~ **access** to ~~obtain any~~ additional financing ~~,as and to the extent the Company elects to do so,~~ will depend on a variety of factors such as market conditions,including recessionary factors,the general availability of credit,the volume of trading activities,the availability of credit to our industry,our credit ratings and credit capacity,as well as the possibility that customers or lenders could develop a negative perception of our long- or short-term financial prospects.Similarly,our access to funds may be impaired if regulatory authorities or rating agencies take negative actions against us.If one or a combination of these factors were to occur,our internal sources of liquidity may prove to be insufficient and,in such case,we may **not be able to successfully obtain additional financing on favorable terms,or at all** We are subject to risks associated with our geographic concentration. The states in which we operate that have the largest concentrations of revenues include Florida, Texas ~~,~~ **and** Georgia ~~and California~~ . Due to the geographic concentration of our business, we are exposed to heightened risks of potential losses resulting from unfavorable changes in the regulatory environment for healthcare, increased competition, and other regional factors in these states ~~, including the following: • unforeseen changes affecting the cost of living, other benefit costs, and reimbursement rates; • natural disasters, such as a major earthquake, wildfire, or hurricane; • the outbreak of an epidemic or pandemic, including COVID- 19 and its variants or new viruses; • a virulent influenza season; • newly emergent mosquito- borne illnesses, such as the Zika virus, the West Nile virus, or the Chikugunya virus; and • terrorist activity involving biological or other weapons of mass destruction~~ . The occurrence of any of these ~~events~~ **factors** could result in increased utilization or medical costs in these states or any other geographic area where our membership becomes concentrated in the future, and could therefore have a disproportionately adverse effect on our operating results. States experiencing such events may enact laws and regulations that require us to cover ~~health~~ **healthcare** ~~care~~ costs for members for which we would not typically be responsible, such as requiring us to relax prior authorization requirements, remove prescription drug refill limitations, and cover out- of- network care. In addition, as a result of our geographic concentration, we face heightened exposure to the other risk factors described herein to the extent such risk factors disproportionately materialize in or impact the regions in which our operations are concentrated. We are subject to risks associated with outsourcing services and functions to third parties. We contract with third- party vendors and service providers who provide services to us and our subsidiaries to help with our internal administrative functions, as well as third- party vendors and service providers who help us administer our products and plans. For example, Oscar delegates pharmacy claims and network management to a pharmacy benefit manager (PBM), CVS / Caremark. We also contract with Optum to provide us with access to its network of behavioral health providers and manage behavioral health benefits for us. The partial or complete loss of a vendor or other third- party relationship could cause a material disruption to our business and make it difficult and costly to provide services and products that our regulators and members expect, which could have a material adverse effect on our financial condition, cash flows, and results of operations. Some of these third- parties have direct access to our systems in order to provide their services to us and operate the majority of our communications, network, and computer hardware and software.

For example, we currently offer our products through our website and online app using platforms for cloud computing provided by Amazon Web Services, Inc. (" AWS "), a provider of cloud infrastructure services, as well as the Google Cloud Platform (" GCP "). Our operations depend on protecting the virtual cloud infrastructure hosted in AWS and GCP by maintaining its configuration, architecture, and interconnection specifications, as well as the information stored in these cloud platforms and which third- party internet service providers transmit. We also engage with other third parties, including ~~Atlassian Corporation Plc,~~ Appian Corporation and inContact, Inc. for our product offerings and internal operations. In the event that a service agreement with a third- party vendor that we rely upon is terminated, or there is a lapse of service, interruption of internet service provider connectivity, or damage to such facilities, we could experience interruptions in our operations and service to our members and business partners, as well as delays and additional expense in arranging new facilities and services, which could harm our business, results of operations, and financial condition. Our arrangements with third- party vendors and service providers may make our operations vulnerable if those third parties, either directly or through their subcontractors, fail to satisfy their obligations to us, including their obligations to maintain and protect the security and confidentiality of our information and data, or the information and data relating to our members or customers. We are also at risk of a data security incident involving a vendor or third party, which could result in a breakdown of such third party' s data protection processes or cyber- attackers gaining access to our infrastructure through the third party. To the extent that a vendor or third party suffers a data security incident that compromises its operations, we could incur significant costs and possible service interruption. In addition, we may have disagreements with our third- party vendors or service providers regarding relative responsibilities for any such failures or incidents under applicable business associate agreements or other applicable outsourcing agreements. Any contractual remedies and / or indemnification obligations we may have for vendor or service provider failures or incidents may not be adequate to fully compensate us for any losses suffered as a result of any vendor' s failure to satisfy its obligations to us or under applicable law. Our vendor and service provider arrangements could be adversely impacted by changes in vendors' or service providers' operations or financial condition, or other matters outside of our control. Violations of, or noncompliance with, laws and / or regulations governing our business or noncompliance with contract terms by third- party vendors and service providers could increase our exposure to liability to our members, providers, or other third parties, or could result in sanctions and / or fines from the regulators that oversee our business. In turn, this could increase the costs associated with the operation of our business or have an adverse impact on our business and reputation. Moreover, if these vendor and service provider relationships were terminated for any reason, we may not be able to find alternative partners in a timely manner or on acceptable financial terms, and may incur significant costs and / or experience significant disruption to our operations in connection with any such vendor or service provider transition. As a result, we may not be able to meet the full demands of our members or customers and, in turn, our business, financial condition, and results of operations may be harmed **, and we could be subject to regulatory sanctions and fines and penalties** . In addition, we may not fully realize the anticipated economic and other benefits from our outsourcing projects or other relationships we enter into with third- party vendors and service providers, as a result of unanticipated delays in transitioning our operations to the third- party vendor or service provider, such third- party vendor or service provider' s noncompliance with contract terms, unanticipated costs or expenses, or violations of laws and / or regulations, or otherwise. This could result in substantial costs or other operational or financial problems that could have a material adverse effect on our business, financial condition, cash flows, or results of operations. From time to time, we may become involved in costly and time- consuming litigation and regulatory audits and actions, which require significant attention from our management. From time to time, we ~~are~~ **may be** a defendant in lawsuits and the subject of regulatory actions, and are subject to audits, reviews, assessments and investigations relating to our business, including, without limitation, claims by members alleging failure to provide coverage or pay for or authorize payment for ~~health~~ **healthcare** ~~care~~ , claims related to non- payment or insufficient payments for services by providers, including for alleged failure to properly pay in- network and out- out- network claims, claims under U. S. securities laws, claims **related to breach of contract, employment related claims, claims** of trademark and other intellectual property infringement **or misappropriation** , claims alleging bad faith or unfair business practices, challenges to the manner in which the Company processes claims, claims relating to sales, marketing and other business practices, inquiries regarding our submission of risk adjustment data, enforcement actions by state regulatory bodies alleging non- compliance with state law, financial and market conduct examinations by state regulatory bodies, and claims related to the imposition of new taxes, including, but not limited to, claims that may have retroactive application. For example, on May 12, 2022, a securities class action lawsuit against the Company, certain of its directors and officers, and the underwriters that participated in the Company' s initial public offering **(" IPO")** was commenced in the United States District Court for the Southern District of New York, captioned Carpenter v. Oscar Health, Inc., et al., Case No. 1: 22- CV- 03885 (S. D. N. Y.) (the " Securities Action "). The amended complaint **,** filed on December 6, 2022, primarily alleges that the Company failed to disclose in its IPO registration statement purportedly inadequate controls and systems in connection with the risk adjustment data validation audit for 2019, in violation of Sections 11 and 15 of the Securities Act, and that this alleged omission caused losses and damages for members of the putative class. The amended complaint seeks unspecified compensatory damages as well as interest, fees and costs. In addition, certain of the Company' s health insurance subsidiaries have been or are currently undergoing review by state regulators, including for, among other matters, compliance with applicable laws and regulations and reviews of financial condition. We also may receive subpoenas and other requests for information from various federal and state agencies, regulatory authorities, state Attorneys General, committees, subcommittees, and members of the U. S. Congress and other state, federal, and international governmental authorities. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have a material adverse impact on our business and financial position, results of operations, and / or cash flows, and may affect our reputation and brand. In addition, regardless of the outcome of any litigation or regulatory proceedings, investigations, audits, or reviews, responding to such matters is costly and time consuming, and requires significant attention from our management, and could, therefore, harm our business and financial position, results of operations or cash flows. Insurance may not cover such claims, may not provide sufficient payments to cover all of the costs to resolve one or more such claims, and may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely affect our results of operations and cash flows, thereby harming our business. The regulations and contractual requirements applicable to us and other market participants are complex and subject to change, making it necessary for us to invest significant resources in complying with our regulatory and contractual requirements. Ongoing vigorous legal enforcement and the highly technical regulatory scheme mean that our compliance efforts in this area will continue to require significant resources, and we may not always be successful in ensuring appropriate compliance by our ~~Company,~~ employees, consultants, or vendors, for whose compliance or lack thereof we may be held responsible and liable. Regulatory audits, investigations, and reviews could result in significant or material changes to our business practices, including increased capital requirements, and also could result in significant or material premium refunds, fines, penalties, civil liabilities, criminal liabilities, or other sanctions, including marketing and enrollment sanctions, suspension or exclusion from participation in government programs, imposition of heightened monitoring by our federal or state regulators, and suspension or loss of licensure if we are determined to be in violation of applicable laws or regulations. Any of these audits, reviews, or investigations could have a material adverse effect on our financial position, results of operations, or business, or could result in significant liabilities and negative publicity for ~~our~~ **the** Company . We rely on the experience and...... results of operations, and financial condition . If we or our partners or other third parties with whom we collaborate **fail to protect confidential information and / or** sustain a ~~cyber- attack or suffer privacy or~~ data security **incident** ~~breaches that disrupt our information systems or operations, or result in the dissemination of sensitive personal or confidential information~~ , we could suffer increased costs, **material financial penalties,** exposure to significant liability, adverse regulatory consequences, **and** reputational harm, ~~loss of~~ **which would materially adversely affect our** business, **results of operations,** and **financial condition. We rely on computer systems, hardware, software, technology infrastructure and online sites and networks for both internal and external operations that are critical to our business (collectively, “ IT Systems ”). We own and manage some of these IT Systems but also rely on third parties for a range of IT Systems and related products and services, including but not limited to cloud computing services. We and certain of our third- party providers collect, maintain and process data about customers, employees, business partners and** ~~other~~ **others** ~~serious negative consequences.~~ **, including information about individuals — such as PHI, Social Security Numbers, addresses, mobile phone numbers, location information, payment card information, and bank account information — as well as proprietary information belonging to our business such as trade secrets (collectively, “ Confidential** Information ~~security~~ **”).** ~~risks~~ **Risks relating to our IT Systems** have generally increased in recent years because of the proliferation of new technologies **— including artificial intelligence —** and the increased sophistication and activities of perpetrators of cyber- attacks, as well as a result of an increase in work- from- home and hybrid work arrangements due to the COVID- 19 pandemic and geopolitical events involving high cyber- risk countries. Hackers and data thieves are increasingly sophisticated and operating large- scale and complex automated attacks. Our **IT Systems and Confidential** ~~information~~ **Information** ~~technology systems and safety control systems~~ are subject to a growing number of ~~threats~~ **risks** from ~~computer programmers,~~ hackers ~~,~~ and other adversaries that **threaten the confidentiality, integrity and availability of our IT Systems and Confidential Information; threat actors** may be able to penetrate our ~~network security~~ **IT Systems** and misappropriate our ~~confidential~~ **Confidential** ~~member and company information~~ **Information** or that of third parties, create system disruptions, or cause damage, security issues, or shutdowns. ~~They also may be able to develop~~ **These threats are from diverse threat actors, such as state- sponsored organizations, opportunistic hackers** and ~~deploy~~ **hacktivists, and from diverse attack vectors, such as social engineering / phishing, malware (including ransomware), malfeasance by insiders, human or technological error,** viruses, worms, and **as a result of malicious code embedded in open- source software or** other ~~malicious~~ **vulnerabilities in commercial** software ~~programs~~ that ~~attack~~ **is integrated into our (** ~~our~~ **- or our suppliers’ or service providers’) IT** ~~systems~~ **Systems , products** or **services** ~~otherwise exploit security vulnerabilities~~ . Because the techniques used to circumvent, gain access to, or sabotage ~~security~~ **IT** ~~systems~~ **Systems** , can be highly sophisticated and change frequently, they often are not recognized until launched against a target, and may originate from less regulated and remote areas around the world. We may be unable to anticipate ~~these techniques~~ **, detect, remediate, recover from future attacks** or **incidents** ~~implement adequate preventive measures~~ , resulting in **a material** ~~potential data loss~~ and ~~damage~~ **adverse impact** to our **IT** ~~systems~~ **Systems , Confidential Information, or business** . Further, we may experience cyber- attacks and other security incidents that remain undetected for an extended period. **There can also be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our IT Systems and Confidential Information.** As cyber threats continue to evolve, we may be required to expend additional resources to further enhance our information security measures, develop additional protocols and / or investigate and remediate any information security vulnerabilities. Our **IT** ~~systems~~ **Systems , Confidential Information** and facilities are also subject to compromise from internal threats such as accidental or improper action by employees, including malicious insiders, or by vendors, counterparties, and other third parties with otherwise legitimate access to our systems. Our policies, employee training (including security and privacy awareness training), procedures, and technical safeguards may not prevent all improper access to our ~~network~~ **IT Systems** or ~~proprietary or confidential~~ **Confidential** ~~information~~ **Information** by employees, vendors, counterparties, or other third parties. Our **IT** ~~systems~~ **Systems , Confidential Information** and facilities are also vulnerable to security incidents or security attacks, ransomware attacks, malware, or other forms of cyber- attack, acts of vandalism or theft, misplaced or lost data, human errors, or other similar events that could negatively affect our **IT** ~~systems~~ **Systems** , and our **Confidential Information** ~~and our members’ data~~ . In the past, we have experienced, and third- party service providers who process information on our behalf have experienced, and disclosed to applicable regulatory authorities, data breaches resulting in disclosure of ~~confidential~~ **Confidential** ~~information~~ **Information** ~~or PHI~~ . Although none of these data breaches have resulted in any material financial loss or penalty to date, future data breaches could require us to expend significant resources to remediate any damage, interrupt our operations and damage our reputation, subject us to state or federal agency review and could also result in regulatory enforcement actions, material fines and penalties, litigation or other actions which could have a material adverse effect on our business, reputation and results of operations, financial position, and cash flows. Additionally, our third- party service providers who process information on our behalf may cause security breaches for which we are potentially liable. Moreover, we face the ongoing challenge of managing access controls in a complex environment. The process of enhancing our protective measures can itself create a risk of systems disruptions and security issues. Given the breadth of our operations, including through our Oscar technology platform, and the increasing sophistication of cyber- attacks, a particular incident could occur and persist for an extended period of time before being detected. The extent of a particular cyber- attack and the steps that we may need to take to investigate the attack may take a significant amount of time and resources before such an investigation could be completed and full and reliable information about the incident is known. During such time, the extent of any harm or how best to remediate it might not be known, which could further increase the risks, costs, and consequences of a data security incident. In addition, our **IT** ~~systems~~ **Systems** must be routinely updated, patched, and upgraded to protect against known vulnerabilities. The volume of new software vulnerabilities has increased substantially, as has the importance of patches and other remedial measures. In addition to remediating newly identified vulnerabilities, previously identified vulnerabilities must also be updated. We are at risk that cyber- attackers exploit these known vulnerabilities before they have been addressed. The complexity of our **IT** ~~systems~~ **Systems** ~~and platforms~~ , the increased frequency at which vendors are issuing security patches to their products, our need to test patches, and, in some instances, coordinate with third- parties before they can be deployed, all could further increase our risks. **There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information.** As part of our normal operations, we and our partners and other third parties with whom we collaborate routinely collect, process, store, and transmit large amounts of ~~data~~ **Confidential Information** , including PHI subject to HIPAA and other federal and state laws and regulations, ~~as well as proprietary or confidential information~~ relating to our business ~~or~~ **and** third parties, including our members, providers, and vendors. Any compromise or perceived compromise of the security of our **IT** ~~systems~~ **Systems , Confidential Information** or the systems of one or more of our vendors or service providers could **cause significant incident response, system restoration or remediation and future compliance costs and it could materially** damage our reputation and brand, cause the termination of relationships with our members, result in disruption or interruption to our business operations, marketing partners and carriers, reduce demand for our services, and subject us to significant liability and expense, as well as regulatory **investigations and** ~~action~~ **actions , fines and penalties,** and lawsuits ~~, which~~ **(such as class actions). Any or all of the foregoing** ~~would~~ **could materially** harm our business, operating results, and financial condition. The CCPA, in particular, includes a private right of action for California consumers whose CCPA- covered personal information is impacted by a data security incident resulting from a company' s failure to maintain reasonable security procedures and, hence, may result in civil litigation in the event of a data breach impacting such information. Although we maintain insurance covering certain security and privacy damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all liability and, in any event, insurance coverage would not address the reputational damage that could result from a security incident or any regulatory actions or litigation that may result. **.We rely on the experience and expertise of our Co-** Founders,senior management team,highly- specialized technology and insurance experts,key technical employees,and other highly skilled personnel.Our success depends upon the continued service of **Mario Schlosser** ~~Mark T.Bertolini~~ ,our **Co- Founder,** Chief Executive Officer and a member of our board of directors, ~~Mario Schlosser~~ **and Joshua Kushner** ,our Co- Founder, **Vice Chairman** ~~President of Technology and Chief Technology Officer~~ and a member of our board of directors, ~~and Joshua Kushner,our Co- Founder,Vice Chairman and a member of our board of directors,the other~~ -- **the** members of our senior management team,highly- specialized technology and insurance experts,and key technical employees,as well as other highly qualified personnel.We also depend upon our continuing ability to identify,hire,develop,motivate,retain,and integrate additional highly skilled personnel to support our growth.If we are unable to attract and retain qualified personnel,our business and prospects may be adversely affected. ~~Our Chief Executive Officer,each~~ **Each** of our Co- Founders, ~~other~~ members of our senior management team,specialized technology and insurance experts,key technical personnel,and other employees could terminate their relationship with us at any time.The loss of key personnel might significantly delay or prevent the achievement of our strategic business objectives and could harm our business.In addition,much of our essential technology and infrastructure are custom- made for our business by our personnel.The loss of key technology personnel,including members of management,as well as our engineering and product development personnel,could disrupt our operations and harm our business.We also rely on a **small** number of highly- specialized insurance experts,the loss of any one of whom could also have a disproportionate impact on our business.We face significant competition for personnel across all areas of our business,and we may not be able to replace key personnel in a timely manner or at all.Our compensation arrangements,such as our equity award programs,may not always be successful in attracting new employees and retaining,motivating and incentivizing our existing employees.Job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment.Fluctuations in the price of our Class A common stock may make it more difficult or costly to use equity compensation to hire new employees and to retain,motivate,and incentivize existing employees.For example,from the completion of our IPO through December 31, ~~2023~~ **2022** ,our closing stock price ranged from a high of $ 36.77 to a low of $ 2.15.As such,the underlying value of the equity awards held by our employees also fluctuates.Additionally,if and when the stock options or other equity awards are substantially vested,employees under such equity arrangements may be more likely to leave,particularly when the underlying shares have appreciated.To attract and retain top talent,we will need to continue to offer competitive compensation and benefits packages,including equity compensation.We may also need to increase our employee compensation levels in response to competitor actions.If we are unable to retain highly qualified personnel or hire new employees quickly enough to meet our needs,or otherwise fail to effectively manage our hiring needs or successfully integrate new hires,including our recently hired management team members,our efficiency,ability to execute our growth strategy and our employee morale,productivity,and retention could suffer,which in turn **could have an adverse effect on our business,results of operations,and financial condition** If we are unable to integrate and manage our information systems effectively, our operations could be disrupted. Our operations depend significantly on effective information systems. The information gathered and processed by our information systems assists us in, among other things, generating forecasts used for strategic decisions and pricing, monitoring utilization and other cost factors, processing provider claims, detecting fraud, and providing data to our regulators. Our healthcare providers also depend upon our information systems for membership verifications, claims status, and other information. We partner with third parties, including Amazon, Appian, ~~Atlassian,~~ inContact, and Google, to support our information technology systems. Our information systems and applications require continual maintenance, upgrading, and enhancement to meet our current and expected operational needs and regulatory requirements. If we underestimate the need to expand or experience difficulties with the transition to or from information systems or do not appropriately plan, integrate, maintain, enhance, or expand our information systems, we could suffer, among other things, operational disruptions, loss of existing members and difficulty in attracting new members, regulatory enforcement, and increases in administrative expenses **. For example, we are currently migrating our claims system to another internally developed platform, and there is no guarantee that such migration will be completed on time, and if we do not effectively manage this migration, it could result in operational challenges and expenses, member and provider claims, and regulatory fines and penalties** . In addition, if our providers, brokers and members do not utilize the technology we deploy to them, we may not be able to efficiently and cost- effectively operate our business. Our ability to integrate and manage our information systems may also be impaired as the result of events outside our control, including acts of nature, such as earthquakes or fires, or acts of terrorism. Also, we may from time to time obtain significant portions of our systems- related or other services or facilities from independent third parties, which may make our operations vulnerable if such third parties discontinue such services or fail to perform adequately. Real or perceived errors, failures **, vulnerabilities,** or bugs in our systems, website, or app could impair our operations, damage our reputation and brand, and harm our business and operating results. Our continued success is dependent on our systems, applications, and software continuing to operate and to meet the changing needs of our members and users. We rely on our technology and engineering staff and vendors to successfully implement changes to, and maintain, our systems and services in an efficient and secure manner. Like all information systems and technology, our website and online app may contain material errors, failures, vulnerabilities, or bugs, particularly when new features or capabilities are released, any of which could lead to interruptions, delays, or website or online app shutdowns, or could cause loss of critical data, or the unauthorized disclosure, access, acquisition, alteration or use of personal or other confidential information. A significant impact on the performance, reliability, security, and availability of our systems, software, or services may harm our reputation and brand, impair our ability to operate, retain existing members, or attract new members, and expose us to legal claims and ~~government~~ **regulatory** action, each of which could have a material adverse impact on our financial condition, results of operations, and growth prospects. ~~The ongoing~~ **We are subject to risks associated with public health crises arising from large- scale medical emergencies, pandemics, natural disasters and other extreme events, which have had, and could in the future have, an adverse effect on our business, results of operations, financial condition and financial performance. Large- scale medical emergencies, pandemics (such as COVID- 19) and other extreme events could result in public health crises or otherwise have a material adverse effect on our business operations, cash flows, financial conditions and results of operations. For example, disruptions in public and private infrastructure resulting from such events could increase our operating costs and ability to provide services to our members. Additionally, as a result of these events, the premiums and fees we charge may not be sufficient to cover our medical and administrative costs, deferred medical care could be sought in future periods at potentially higher acuity levels, we could experience reduced demand for our services, and our workforce could be impacted, resulting in reduced capacity to handle demand for care. For example, the recent** COVID- 19 pandemic ~~could significantly~~ **affected our business by** ~~increase~~ **increasing** our costs of operation **and limiting our operational flexibility,** due to **factors including** ~~unanticipated changes in law or regulation, population morbidity, or utilization behaviors, adversely impact our operational effectiveness, and heighten the risks we face in our business. The~~ COVID- 19 **testing and treatment costs, federal and state governments enacting laws and promulgating regulatory changes in response to the** pandemic ~~continues to evolve and the impact of COVID- 19 and its variants~~ , and **changes in population morbidity** ~~the actions taken to contain their spread or address their impact, could have a material adverse effect on our operations~~ and ~~financial results~~ **utilization behaviors** . We ~~seek to ensure our direct policy premiums appropriately account for anticipated changes in utilization. However, our ability to do so accurately is limited by the changing nature of COVID- 19, including the evolving clinical understanding of COVID- 19' s post- acute, long- term impacts on health. Additionally, as a result of legislative mandates and trends, we may be unable to fully implement clinical initiatives to manage health care costs and chronic conditions of our members and appropriately document their health risks and diagnoses to substantiate payments we may be entitled to under federal and state risk adjustment programs. There are~~ also **experienced** uncertainties associated with the costs of COVID- 19- related care, including vaccines and booster shots and their administration, for our covered population. The **extent to which** ~~costs associated with our members who receive~~ COVID- 19 **continues to** ~~vaccines may be greater than we expect if, for example, subsidies for COVID- 19 vaccinations are reduced. Additionally, the long- term health impacts~~ - **impact** ~~of SARS- CoV- 2 infection causing COVID- 19 are not yet well known or understood. If a significant number of our members who have contracted COVID- 19 need unanticipated ongoing post- acute care, such as regular physical, occupational, or respiratory therapy, additional pharmaceutical intervention, or care for increased frequency of other illness resulting from a COVID- 19- weakened immune system,~~ our business ~~could be materially adversely impacted due to an unanticipated increase in covered medical expenses. As a result of the COVID- 19 pandemic, the federal and~~

~~state governments enacted laws and promulgated regulatory changes that have increased our costs and limited our operational flexibility. We may be required to incur additional expenses to comply with such changes and requirements without being able to modify our rates, which could adversely impact our financial results. We are continuing to monitor the evolution of COVID-19, changes to our covered services, and the ongoing costs and business impacts of dealing with COVID- 19, including continued adverse effects on economic activity and related risks. The extent of this impact~~ will depend on future developments, which ~~remain~~ **are highly** uncertain and cannot be predicted ~~at this time~~ **with confidence. Public health crises arising from natural disasters (such as earthquakes** , **wildfires, hurricanes, floods and snowstorms) or effects of climate change could impact our business operations and result in increased medical care costs. For example, natural disasters, such as a major hurricane affecting Florida, Georgia, or Texas, could have a significant impact on the health of a large number of our covered members. Other conditions that could impact our members** ~~including~~ **include a virulent flu season or epidemic** , ~~but~~ **newly emergent mosquito- borne illnesses, such as the Zika virus, the West Nile virus, or the Chikungunya virus, or new viruses or conditions for which vaccines may** not **exist** ~~limited to~~ , **are not effective, or have not been widely administered. In addition, federal and state law enforcement officials have issued warnings about potential terrorist activity involving biological or** ~~the~~ **other weapons** ~~transmission rate, introduction~~ of ~~new strains~~ **mass destruction. All** of ~~COVID~~ **these conditions, and others, could have a significant impact on the health of the population of widespread areas. If one of the states in which we operate were to experience a large** - ~~19~~ **scale natural disaster** , **a significant terrorist attack, or some** ~~the~~ **other large** ~~severity of future outbreaks, the extent and effectiveness of the actions taken to contain the spread of the virus and address its impacts, including vaccine effectiveness, availability, administration and adoption and related risks. The ultimate impact of the COVID - 19 pandemic~~ **scale event affecting the health of a large number of our members, our covered medical expenses in that state would rise, which could have a material adverse effect** on our business, ~~results of operations,~~ financial ~~position~~ **condition** , ~~and~~ cash flows ~~is uncertain~~ **, or results of operations. Government enaction of emergency powers in response to these public health crises could also disrupt our business operations, including by restricting pharmaceuticals or other supplies, and could increase the risk of shortages of necessary items or labor. Even after a public health crisis has subsided, we may experience materially adverse impacts to our business** as **a result of its** ~~the pandemic continues to evolve globally~~ -- **global economic impact. While the potential economic impact and the duration of any public health crisis may be difficult to assess or predict** , ~~but~~ such ~~impacts~~ - **impact may have a material adverse effect on our business, results of operations, and financial condition. We may not be able to utilize our net operating loss carryforwards (“ NOLs ”), to offset future taxable income for U. S. federal income tax purposes, which** could **adversely affect** ~~be material to~~ our ~~business, results of operations, financial position and~~ cash flows. ~~income tax purposes,which could adversely affect our cash flows.~~ As of December 31, ~~2022~~ **2023** ,we had federal income tax NOLs of $ 2. ~~2~~ **3** billion **,which are currently subject to a full valuation allowance.The NOLs are** available to offset our future taxable income,if any,prior to consideration of annual limitations that may be imposed under Section 382 of the U.S.Internal Revenue Code of 1986,as amended (the “ Code ”) or otherwise.Of our NOLs,approximately $ 1. ~~32~~ **3** billion of losses will expire between 2032 and ~~2042~~ **2043** ,and $ ~~839~~ **922** million of losses can be carried forward indefinitely. ~~We may~~ We **may be unable to use our NOLs, as we do not** have ~~identified~~ a ~~material weakness~~ **history of positive earnings. In addition, under Section 382 of the Code, if a corporation undergoes an “ ownership change ” (very generally defined as a greater than 50 % change, by value,** in **the corporation’ s equity ownership by certain shareholders** ~~our~~ - **or** ~~internal~~ **groups of shareholders over a rolling three- year period), the corporation’ s ability to use its pre- ownership change NOLs to offset its post- ownership change income may be limited. We regularly assess potential NOL limitations under Section 382, and determined that an ownership change occurred in 2016; however, the corresponding limitation amount did not impact the ultimate pre-change NOL available for use. We may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our** control ~~over financial reporting~~ . If we **undergo another ownership change,our ability to utilize our NOLs existing at the time of the ownership change may be limited.Future regulatory changes could also limit our ability to utilize our NOLs.To the extent we are not able to offset future taxable income with our NOLs,our cash flows may be adversely affected.** Our limited operating history **in an evolving industry** makes it difficult to evaluate our current business performance,implementation of our business model,and our future prospects.We launched our business in 2012 and have a limited **experience** operating ~~history~~ **our business at current scale** .Due to ~~our~~ **this** limited operating history and the rapid growth we have experienced since we began operations,there is greater uncertainty in estimating our operating results,and our historical results may not be indicative of,or comparable to,our future results.In addition,we have limited data to validate key aspects of our business model,including our growth strategy.For example,as a relatively new entrant in the small group market,we have limited experience and ~~are unable to predict whether we will be able to effectively and consistently provide solutions that are tailored to the budgets of small businesses and to the health needs of their employees.Furthermore,as a relatively new entrant in the third party services market,we have experienced certain operational challenges implementing our Oscar arrangements,and a Oscar client has terminated its Oscar~~ are unable to ~~remediate~~ **predict whether we will be able to effectively and consistently provide solutions that are tailored to the budgets of small businesses and to the health needs of** ~~the~~ **their employees. Furthermore, as a relatively new entrant in the third party services market, we have experienced certain operational challenges implementing our Oscar arrangements, and a Oscar client terminated its Oscar arrangement in 2022. We are unable to predict if we will be able to effectively and consistently service our Oscar arrangements and any future Oscar arrangements, which risk may increase over time as we enter into** material ~~weakness in a timely manner~~ **Oscar arrangements. We cannot provide any assurance that the data we collect will provide useful measures for evaluating our business model. Moreover** , ~~identify additional~~ **we cannot provide any assurance that partnerships, joint ventures or business lines we enter into in the future will perform as well as historical expectations. Our inability to adequately assess our performance and growth could have a material adverse**

effect on our brand, reputation, business, financial condition, and results of operations. If we experience material weaknesses **or significant control deficiencies** in the future **,** or otherwise fail to maintain effective internal control over financial reporting, our ability to comply with applicable laws and regulations and accurately and timely report our financial results, and our access to the capital markets, could be adversely affected. We are a public reporting company subject to the rules and regulations established by the SEC and the NYSE. These rules and regulations require, among other things, that we establish and periodically evaluate procedures with respect to our internal control over financial reporting. ~~Reporting obligations as a public company are likely to continue to place a considerable strain on our financial and management systems, processes, and controls, as well as on our personnel.~~ In addition, as a public company, we are required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act so that our management can certify as to the effectiveness of our internal control over financial reporting. Section 404 (a) of the Sarbanes- Oxley Act, or Section 404 (a), requires that ~~, beginning with our second annual report following our IPO,~~ management assess and report annually on the effectiveness of our internal control over financial reporting, and our independent registered public accounting firm issue an annual report that addresses the effectiveness of our internal control over financial reporting. **Designing and maintaining adequate internal financial and accounting controls and procedures that enable us to produce accurate financial statements on a timely basis is a costly and time- consuming effort.** As **initially** disclosed in Part II, Item 9A, " Controls and Procedures, " of our Annual Report on Form 10- K **for the fiscal year ended December 31, 2021** , in connection with our audit of the ~~consolidated~~ **Consolidated** ~~financial~~ **Financial** ~~statements~~ **Statements** for the year ended December 31, 2021, we identified a material weakness in our internal control over financial reporting related to information technology general controls. **Although such** ~~As a result, we concluded that our internal control over financial reporting was not effective as of December 31, 2022. A~~ material weakness **was** ~~is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement in a company' s annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness identified in Item 9A in our Annual Report on Form 10- K did not result in any misstatement of our financial statements. We are in the process of remediating~~ **remediated in 2023, we** ~~the material weakness. We~~ can give no assurance ~~that our efforts will remediate the material weakness in our internal control over financial reporting, or~~ that additional material weaknesses will not be identified in the future. **If we cannot** ~~We may also conclude that additional measures may be required to~~ remediate ~~the~~ **future** material ~~weakness~~ **weaknesses** ~~in our~~ - **or significant deficiencies** ~~internal control over financial reporting, which may necessitate additional implementation and evaluation time. If the steps we take do not remediate the material weakness~~ in a timely manner, or if we **identify additional** ~~fail to implement and maintain effective internal~~ control ~~over~~ **deficiencies that individually or together constitute significant deficiencies or material weaknesses, our ability to accurately record, process, and report** financial ~~reporting~~ **information and our ability to prepare financial statements within required time periods** , ~~there~~ could be **adversely affected** ~~errors in our annual or interim consolidated financial statements that could result in a restatement of our financial statements, and could cause us to fail to meet our reporting obligations and restrict our access to capital markets, any of which could diminish investor confidence in us and cause a decline in the price of our Class A common stock~~ . Additionally, ineffective internal control over financial reporting could expose us to an increased risk of financial reporting fraud and ~~the~~ misappropriation of assets and subject us to potential delisting from the NYSE or to other regulatory investigations and civil or criminal sanctions. ~~If we are unable to remediate the~~ **Significant delays in our receipt of direct policy premiums, including as a result of regulatory restrictions on policy cancellations and non- renewals, could have a** material **adverse effect on** ~~weakness in a timely manner, or~~ **our** ~~our~~ business **,** operations,cash flows,or earnings.We currently derive substantially all of our revenue from direct policy premiums and recognize premium revenue over the period that coverage is effective.There can be no assurance that we will receive premiums in advance of or by the end of a given coverage period.Moreover,actions taken by state and federal governments could increase the likelihood of delay in our receipt of premiums.For example,in early responses to the COVID- 19 pandemic,state insurance departments,including in states in which we operate,issued guidelines,recommendations,and moratoria around policy cancellations and non- renewals due to non- payment.While none of such state or federal required or recommended moratoria carried over into 2023, if ~~additional~~ **such or similar measures were to be reintroduced and to remain in place for an extended period due to a resurgence of COVID- 19 or for other reasons, including unanticipated public health or economic crises, our receipt of premiums, if any, could be significantly delayed, which could have a** material ~~weaknesses exist~~ **adverse effect on** ~~or~~ **our** ~~are discovered~~ **business, operations, cash flows, or earnings. Payments from government payors may be delayed** in the future, **which, if extended for** ~~and we are unable to remediate~~ any ~~such~~ **significant period of time, could have a** material ~~weaknesses,~~ **adverse effect on** our ~~reputation,~~ results of operations ~~and~~ **,** financial condition **, cash flows or liquidity. In addition, delays in obtaining, or failure to obtain or maintain, governmental approvals, or moratoria imposed by regulatory authorities,** could ~~suffer~~ **adversely affect our revenues or membership, increase costs or adversely affect our ability to bring new products to market as forecasted. Other changes to our government programs could affect our willingness or ability to participate in any of these programs or otherwise have a material adverse effect on our business, operations, cash flows, or earnings** . We make virtual ~~health~~ **healthcare** ~~care~~ services available to our members through Oscar Medical Group, in which we do not own any equity or voting interest, and our virtual care availability may be disrupted if our arrangements with providers like the Oscar Medical Group become subject to legal challenges. Pursuant to state corporate practice of medicine laws, many states in which we operate through our subsidiaries limit the practice of medicine to licensed individuals or professional organizations owned by licensed individuals, and business corporations generally may not exercise control over the medical decisions of physicians. Statutes and regulations, including the interpretation and enforcement of such statutes and regulations, relating to the corporate practice of medicine, fee-splitting between physicians and referral sources, and similar issues, vary widely from state to state. We have management services agreements with four physician- owned professional corporations, known collectively as the Oscar Medical Group.

Each of the professional corporations comprising the Oscar Medical Group is wholly owned by a single physician licensed in California, Florida, New York and New Jersey, who oversees the operation of the Oscar Medical Group in her capacity as president and sole director of each Oscar Medical Group professional corporation. This physician also serves as a consultant to Oscar Management Corporation. Under the terms of the management services agreements between Oscar Management Corporation and the Oscar Medical Group, the Oscar Medical Group retains sole responsibility for all medical decisions, as well as for hiring and managing physicians and other licensed ~~health~~ **healthcare** ~~care~~ providers, developing operating policies and procedures, and implementing professional standards and controls. Many of the laws, rules, and regulations with respect to corporate practice of medicine are ambiguous and have not been well- interpreted by applicable regulatory agencies or the courts. Moreover, changes can be made to existing laws, regulations, or interpretations, or new laws can be enacted or adopted, which could cause us to be out of compliance with these requirements. Despite the management services agreements and other arrangements we have with Oscar Medical Group, regulatory authorities and other parties may assert that we are engaged in the prohibited corporate practice of medicine, that our arrangements with Oscar Medical Group constitute unlawful fee- splitting, or that other similar issues exist. If that were to occur, we could be subject to civil and / or criminal penalties, our agreements could be found legally invalid and unenforceable (in whole or in part), or we could be required to terminate or restructure our contractual arrangements, any of which could have a material adverse effect on our results of operations, financial position, or cash flows. State corporate practice and fee- splitting prohibitions also often impose penalties on healthcare professionals for aiding in the improper rendering of professional services, which could discourage physicians and other healthcare professionals from providing clinical services that are currently available to our members. Our health insurance subsidiaries have entered into provider participation agreements with the Oscar Medical Group that enable the Oscar Medical Group to participate in Oscar' s provider network. While we expect that our relationship with the Oscar Medical Group will continue, a material change in our relationship with the Oscar Medical Group, whether resulting from a dispute among the entities or the loss of these relationships or contracts with the Oscar Medical Group, may temporarily disrupt our ability to provide virtual ~~health~~ **healthcare** ~~care~~ services to our members or through our Oscar platform arrangements and could harm our business . Significant delays in our receipt of...... our cash flows may be adversely affected . Failure to secure, protect, or enforce our intellectual property rights could harm our business, results of operations, and financial condition. Our commercial success is dependent in part on protecting our core technologies, intellectual property assets, and proprietary rights (such as source code, information, data, processes, and other forms of information, know- how, and technology). We **primarily** rely on ~~a combination of copyrights~~ - **copyright** , ~~trademarks~~ - **trademark** , **and** ~~service marks,~~ trade secret laws, ~~and~~ **as well as** contractual ~~restrictions~~ **arrangements** to establish and protect our intellectual property. However, there are steps that we have not yet taken to protect our intellectual property on a global basis. For example, we do not have any patents, which limits our ability to deter patent infringement claims by competitors and other third parties who may hold or obtain patents . Additionally, the steps that we...... of our trademarks and other proprietary rights . While we take precautions designed to protect our intellectual property, it may still be possible for competitors and other unauthorized third parties to copy our technology and use our proprietary brand, content, and information to create or enhance competing solutions and products, which could adversely affect our competitive position in our rapidly evolving and highly competitive industry. Some license provisions that protect against unauthorized use, copying, decompiling, transfer, and disclosure of our technology may be unenforceable under the laws of certain jurisdictions and foreign countries, and the remedies for such events may not be sufficient to compensate for such breaches. We enter into confidentiality and invention assignment agreements with our employees and consultants, and enter into confidentiality agreements with our third- party providers and strategic partners. We cannot assure you that these agreements **will not be breached and** will be effective in controlling access to, and use and distribution of, our platform and proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our offerings. Such arrangements may limit our ability to protect, maintain, enforce, or commercialize such intellectual property rights. **Additionally, certain unauthorized use of our intellectual property may go undetected, or we may face legal or practical barriers to enforcing our legal rights even where unauthorized use is detected.** If we are unable to prevent the unauthorized use or exploitation of our intellectual property, the value of our brand, content, and other intangible assets may be diminished, competitors may be able to more effectively mimic our service and methods of operations, the perception of our business and service to members, and potential members, may become confused, and our ability to attract customers may be adversely affected. Any inability or failure to protect our intellectual property could adversely impact our business, results of operations, and financial condition. We have filed, and may in the future file, applications to protect certain of our innovations and intellectual property. We do not know whether any of our applications will result in the issuance of a patent, trademark, or copyright, as applicable, or whether the examination process will require us to narrow our claims. In addition, we may not receive competitive advantages from the rights granted under our intellectual property. Our existing intellectual property, and any intellectual property granted to us, or that we otherwise acquire in the future, may be contested, circumvented, or invalidated ~~, and we may not be able to detect or prevent third parties from infringing our rights to our intellectual property~~ . Therefore, the exact effect of the protection of this intellectual property cannot be predicted with certainty. In addition, given the costs, effort, and risks of obtaining patent protection, including the requirement to ultimately disclose the invention to the public, we may choose not to seek patent protection for certain innovations. Any failure to adequately obtain such patent protection, or other intellectual property protection, could later prove to adversely impact our business. We ~~in litigation to enforce our rights.We~~ currently hold various domain names relating to our brand,including HiOscar.com.We also engage a third- party vendor to monitor **for** fictitious sites that may purport to be us.Failure to protect our domain names could adversely affect our reputation and brand,and make it more difficult for users to find our website and our online app.We may be unable,without significant cost or at all,to prevent third parties from diverting traffic from **our domain names** or acquiring domain names that are similar to,infringe upon,or otherwise decrease the value of our trademarks and other **proprietary**

rights.We may be required to spend significant resources in order to monitor, protect, and defend our intellectual property rights ~~, and some violations may be difficult or impossible to detect~~ . Litigation to protect and enforce our intellectual property rights could be costly, time- consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management' s attention and resources, could impair the functionality of our platform, delay introductions of enhancements to our platform, result in our substituting inferior or more costly technologies into our platform, or harm our reputation or brand. **We may be subject to claims by others that we are infringing on their intellectual property rights. Our competitors, as well as a number of other entities and individuals, including so- called non- practicing entities, may own or claim to own intellectual property relating to or covering the operation of our business. From time to time, third parties may claim that we are infringing upon their intellectual property rights or that we have misappropriated their intellectual property. We may be unaware of the intellectual property rights that others may claim cover some or all of our technology or services. Because patent applications can take years to issue and are often afforded confidentiality for some period of time there may currently be pending applications, unknown to us, that later result in issued patents that could cover one or more aspects of our technology and business. Third parties may assert claims that we or our business partners or clients infringe or misappropriate their intellectual property rights and these claims, with or without merit, could be expensive to litigate, cause us to incur substantial costs and divert management resources and attention in defending the claim.** In addition, we may be required to license additional technology from third parties to develop and market new offerings or platform features, which may not be **available** on commercially reasonable terms, or at all, and could adversely affect our ability to compete or require us to rebrand or otherwise modify our offerings, which could further exhaust our resources. Furthermore, **certain contracts with** ~~we may also be obligated to indemnify our members or~~ **our** business partners **contain provisions whereby we indemnify, subject to certain limitations, the counterparty for damages suffered as a result of claims related to intellectual property infringement. Claims made under these provisions could be expensive to litigate and could result** in ~~connection~~ **significant payments. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time- consuming and divert the attention of our management and key personnel from our business operations. We may face risks associated** with **our utilization of certain artificial intelligence and machine learning models. Our business currently utilizes artificial intelligence and machine learning technologies offered by third parties to drive efficiencies in our business, including by deploying use cases that are designed to streamline administrative processes, enhance decision making capabilities and improve the experience for our members and providers. We expect to continue utilizing these technologies in the future. As with** ~~any~~ **many** ~~such~~ **technological innovations, artificial intelligence presents risks and challenges that could affect its adoption, and therefore our business and reputation. If these artificial intelligence or machine learning models are incorrectly designed, the performance of our products, services, and business, as well as our reputation, could suffer or we could incur liability through the violation of laws, or contracts to which we are a party. Additionally, we are making, and plan to make in the future, investments in adopting artificial intelligence and machine learning technologies across our business, including our plan to integrate large language models across our technology stack. Artificial intelligence and machine learning technologies are complex and rapidly evolving, and we face significant competition from other companies in our industry as well as an evolving regulatory landscape. These efforts, including the introduction of new products or changes to existing products, may result in new or enhanced governmental or regulatory scrutiny,** litigation ~~and~~ **, ethical concerns, or other complications that could adversely affect our business, reputation, or financial results. Changes** to ~~obtain licenses~~ **existing regulations, their interpretation or implementation or new regulations could impede our use of artificial intelligence and machine learning technology and also may increase the burden and cost of research and development in this area. In addition, market acceptance of artificial intelligence and machine learning technologies is uncertain, and we may be unsuccessful in our product development efforts or suffer reputational harm. Any of these factors could adversely affect our business, financial condition, and results of operations** . Increasing scrutiny and changing expectations with respect to environmental, social and governance (" ESG ") matters may impose additional costs on us, impact our access to capital, or expose us to new or additional risks. Increased focus, including from regulators, investors, employees ~~and~~ **,** clients, **competitors and other stakeholders** on ESG matters may result in increased costs (including but not limited to increased costs related to compliance and stakeholder engagement), impact our reputation, or otherwise affect our business performance. Negative public perception, adverse publicity or negative comments in social media could damage our reputation or harm our relationships with regulators, employees or our customers, if we do not, or are not perceived to, adequately address these issues, including if we fail to demonstrate progress towards any current or future ESG goals. Any harm to our reputation could negatively impact employee engagement and retention and the willingness of customers to do business with us. **At the same time, various stakeholders may have divergent views on ESG matters. This divergence increases the risk that any commitment, position, target or other action or lack thereof with respect to ESG matters will be perceived negatively by at least some stakeholders and adversely impact our reputation and business.** It is possible that stakeholders may not be satisfied with our ESG practices or the speed of their adoption. At the same time, certain stakeholders might not be satisfied if we adopt ESG practices at all. Actual or perceived shortcomings with respect to our ESG practices and reporting could negatively impact our business. We could also incur additional costs and require additional resources to monitor, report, and comply with various ESG practices **and current or emerging regulatory requirements, including with respect to climate change** . In addition, a variety of organizations have developed ratings to measure the performance of companies on ESG topics, and the results of some of these assessments are widely publicized. Such ratings are used by some investors to inform their investment and voting decisions. In addition, many investors have created their own proprietary ratings that inform their investment and voting decisions. Unfavorable ratings of ~~our~~ **the** ~~company~~ **Company** or our industry, as well as omission of inclusion of our stock into ESG- oriented investment funds, may lead to negative investor sentiment and the diversion of investment to other companies or industries, which could have a negative impact on our stock price and our access to and cost of capital. Risks Related to our Indebtedness Restrictions imposed by our Revolving Credit Facility may materially limit our ability to operate our business and finance our future operations or capital needs. The terms of our senior secured credit agreement with Wells Fargo Bank, National Association **,** as administrative agent, and certain other lenders for the Revolving Credit Facility in the aggregate principal amount of $ ~~200~~ **115** million, may restrict us and our subsidiaries from engaging in specified types of transactions. These covenants, subject to certain limitations and exceptions, restrict our ability, and that of our subsidiaries, to, among other things: • incur indebtedness; • incur certain liens; • enter into sale and lease- back transactions; • make investments, loans, advances, guarantees and acquisitions; • consolidate, merge or sell or otherwise dispose of assets; • pay dividends or make other distributions on equity interests, or redeem, repurchase or retire equity interests; • enter into transactions with affiliates; • alter the business conducted by us and our subsidiaries; and • change our or their fiscal year. A breach of any of these covenants, or any other covenant in the documents governing our Revolving Credit Facility, could result in a default or event of default under our Revolving Credit Facility. In the event of any event of default under our Revolving Credit Facility, the applicable lenders or agents could elect to terminate borrowing commitments and declare all borrowings and loans outstanding thereunder, if any, together with accrued and unpaid interest and any fees and other obligations, to be immediately due and payable. In addition, or in the alternative, the applicable lenders or agents could exercise their rights under the security documents entered into in connection with our Revolving Credit Facility. We pledged substantially all of our assets as collateral securing our Revolving Credit Facility and any such exercise of remedies on any material portion of such collateral would likely materially adversely affect our business, financial condition or results of operations. If we were unable to repay or otherwise refinance these borrowings and loans when due, and the applicable lenders proceeded **to exercise remedies** against the collateral granted to them to secure that indebtedness, we may be forced into bankruptcy or liquidation. In the event the applicable lenders accelerate the repayment of any future borrowings, we may not have sufficient assets to repay that indebtedness. Any acceleration of future borrowings under our Revolving Credit Facility or other outstanding indebtedness would also likely have a material adverse effect on us. Pursuant to our Revolving Credit Facility, we are required to comply with certain financial covenants including (i) receiving specified levels of direct policy premiums (as defined in the Revolving Credit Facility) for each fiscal quarter, (ii) maintaining a minimum liquidity (as defined in the Revolving Credit Facility) of $ ~~150~~ - **50** million **less than** ~~(or $ 200 million if~~ the **aggregate commitments under** ~~liquidity decreased by a specified amount over~~ the **Revolving Credit Facility** ~~prior six month period)~~ as of the last day of each quarter, ~~and~~ **or, if the Revolving Credit Facility is drawn by more than 60 %, as of the last day of any fiscal month,** (iii) not exceeding a maximum ~~combined~~ **medical loss** ratio **(as defined in the Revolving Credit Facility) as of the last day of each quarter, and (iv) maintaining a minimum consolidated adjusted EBITDA (as defined in the Revolving Credit Facility) as of the last day of each quarter** . Our ability to borrow under our Revolving Credit Facility depends on our compliance with these financial covenants. Events beyond our control, including changes in general economic and business conditions, may affect our ability to satisfy the financial covenants. We cannot assure you that we will satisfy the financial covenants in the future, or that our lenders will waive any failure to satisfy the financial covenants. Our debt obligations contain restrictions that impact our business and expose us to risks that could materially adversely affect our liquidity and financial condition. As of December 31, ~~2022~~ **2023** , we had outstanding indebtedness due to our issuance in February 2022 of $ 305. 0 million in aggregate principal amount of convertible senior notes due 2031 (the " 2031 Notes ") in a private placement. We may incur additional indebtedness in the future, including borrowings under the Revolving Credit Facility. Such indebtedness, including borrowings, if any, under the Revolving Credit Facility, could have significant effects on our business, such as: • limiting our ability to borrow additional amounts to fund capital expenditures, acquisitions, debt service requirements, execution of our growth strategy and other purposes; • limiting our ability to make investments, including acquisitions, loans and advances, and to sell, transfer or otherwise dispose of assets; • requiring us to dedicate a substantial portion of our cash flow from operations to pay principal and interest on our borrowings, which would reduce availability of our cash flow to fund working capital, capital expenditures, acquisitions, execution of our growth strategy and other general corporate purposes; • making us more vulnerable to adverse changes in general economic, industry and competitive conditions, in government regulation and in our business by limiting our ability to plan for and react to changing conditions; • placing us at a competitive disadvantage compared with our competitors that have less debt; and • exposing us to risks inherent in interest rate fluctuations because our borrowings are at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the 2031 Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. If the assumptions underlying our cash flow projections are incorrect we may not be able to generate sufficient cash flow from our operations to repay our existing or future indebtedness when it becomes due and to meet our other cash needs. If we are unable to generate such cash flow, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness or selling additional debt or equity securities. In addition to the restrictions imposed by our Revolving Credit Facility, the Investment Agreement that we entered into in connection with our issuance of the 2031 Notes contains covenants, which, subject to certain conditions, limitations and exceptions, restrict our ability to refinance our indebtedness and incur additional indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in our other indebtedness becoming immediately payable in full. Due to such restrictions or other factors, we may not be able to refinance our debt or sell additional debt or equity securities or our assets on favorable terms, if at all, and if we must sell our assets, it may negatively affect our business, financial condition and results of operations. In addition, we may be subject to prepayment penalties depending on when we repay our future indebtedness, ~~including any borrowings under the Revolving Credit Facility,~~ which amounts could be material ~~. Changes in the method pursuant to which LIBOR is determined and the transition to other benchmarks may adversely affect our results of operations. LIBOR and certain other " benchmarks " have been the subject of continuing national, international, and other regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past or have other consequences which cannot be predicted. A portion of our indebtedness bears interest at variable interest rates, primarily based on LIBOR, which may be subject to regulatory guidance and / or reform that could cause interest rates under our current or future debt agreements to perform differently than in the past or cause other unanticipated consequences. Some tenors of LIBOR were discontinued on December 31, 2021. Although we expect that the capital and debt markets will cease to use LIBOR as a benchmark in the near future and the administrator of LIBOR has announced its intention to extend the publication of most tenors of LIBOR for U. S. dollars through June 30, 2023, we cannot predict whether or when LIBOR will actually cease to be available, whether the Secured Overnight Funding Rate, or SOFR, will become the market benchmark in its place or what impact such a transition may have on our business, financial condition and results of operations. The Revolving Credit Facility has interest rate payments determined directly or indirectly based on LIBOR. Uncertainty regarding the continued use and reliability of LIBOR as a benchmark interest rate could adversely affect the performance of LIBOR relative to its historic values. The Revolving Credit Facility contains " hardwired " benchmark replacement provisions with " early opt- in " triggers that permit the replacement of LIBOR prior to the phasing out of published LIBOR rates. The benchmark replacement language contemplates the use of an alternative benchmark rate to be selected by the Administrative Agent. Even if financial instruments are transitioned to alternative benchmarks, such as SOFR, successfully, the new benchmarks are likely to differ from LIBOR, and our interest expense associated with our outstanding indebtedness or any future indebtedness we incur may increase. Further, transitioning to an alternative benchmark rate, such as SOFR, may result in us incurring significant expense and legal risks, as renegotiation and changes to documentation may be required in effecting the transition. Any alternative benchmark rate may be calculated differently than LIBOR and may increase the interest expense associated with our existing or future indebtedness. Any of these occurrences could materially and adversely affect our borrowing costs, financial condition, and results of operations~~ . We may be unable to raise the funds necessary to repurchase our outstanding 2031 Notes for cash following a fundamental change or on the optional repurchase dates, or to pay any cash amounts due upon conversion, and our other indebtedness may limit our ability to repurchase the 2031 Notes or pay cash upon their conversion. Noteholders may, subject to certain conditions described in the Indenture governing the 2031 Notes, require us to repurchase their 2031 Notes following a fundamental change at a cash repurchase price generally equal to the principal amount of the 2031 Notes to be repurchased, plus accrued and unpaid interest, if any. Additionally, pursuant to the Investment Agreement, after the fifth anniversary of the Closing Date of the 2031 Notes, the initial holders of the 2031 Notes have the right to require us to repurchase all of their 2031 Notes for cash, on each of June 30, 2027, June 30, 2028, June 30, 2029 and June 30, 2030 (each, a " Repurchase Date "); provided that, among other conditions, a repurchase notice is delivered to the trustee under the Indenture no later than the later of (i) 120 days prior to the applicable Repurchase Date and (ii) 10 business days following the date on which we file our Annual Report on Form 10- K for the prior year. Furthermore, upon conversion, we will satisfy part or all of our conversion obligation in cash unless we elect to settle conversions solely in shares of our common stock. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the 2031 Notes or pay any cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing our other indebtedness may restrict our ability to repurchase the 2031 Notes or pay any cash amounts due upon conversion. Our failure to repurchase the 2031 Notes or pay any cash amounts due upon conversion when required will constitute a default under the Indenture. A default under the Indenture or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under the other indebtedness and the 2031 Notes. Provisions in the Revolving Credit Facility or the Indenture governing the 2031 Notes could delay or prevent an otherwise beneficial takeover of us. Certain provisions in the Revolving Credit Facility, the 2031 Notes and the Indenture could make a third- party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change (as defined in the Indenture governing the 2031 Notes), then noteholders will have the right to require us to repurchase their 2031 Notes for cash. In addition, if a takeover constitutes a make- whole fundamental change (as defined in the Indenture governing the 2031 Notes), then we may be required to temporarily increase the conversion rate. Further, if a takeover constitutes a change in control (as defined in the Revolving Credit Facility), such takeover would constitute an event of default under the Revolving Credit Facility. In any such case, and in other cases, our obligations under the Revolving Credit Facility, the 2031 Notes and the Indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that noteholders or holders of our common stock may view as favorable. Risks Related to Ownership of Our Class A Common Stock The dual class structure of our common stock will have the effect of concentrating voting control with Thrive Capital and our Co- Founders for the foreseeable future, which will limit the ability of our other investors to influence corporate matters, including the election of directors and the approval of any change of control transaction. Our Class B common stock has 20 votes per share, and our Class A common stock has one vote per share. As of December 31, ~~2022~~ **2023** , the holders of our outstanding Class B common stock, which consist of Thrive Capital and our Co- Founders, beneficially own ~~22~~ **20** . ~~3~~ **9** % of our outstanding capital stock and hold ~~82~~ **81** . ~~7~~ **4** % of the voting power of our outstanding capital stock (assuming the exercise of all options to acquire shares of Class B common stock and the conversion of the 2031 Notes, in each case that are beneficially owned as of December 31, ~~2022~~ **2023**). Thrive Capital and Joshua Kushner (as the sole managing member of the Thrive General Partners), in particular, beneficially own ~~19~~ **18** . ~~2~~ **1** % of our outstanding capital stock and hold ~~75~~ **73** . ~~0~~ **3** % of the voting power of our outstanding capital stock as of December 31, ~~2022~~ **2023** . Because of the 20- to- one voting ratio between our Class B common stock and Class A common stock, the holders of Class B common stock, in particular Thrive Capital and Joshua Kushner (as the sole managing member of the Thrive General Partners), collectively control over a majority of the combined voting power of all of our Class A common stock and Class B common stock and therefore will continue to be able to control all matters submitted to our stockholders for approval until a significant portion of such shares of outstanding Class B common stock have been converted to shares of Class A common stock. This concentrated control limits or precludes the ability of our other investors to influence corporate matters for the foreseeable future. For example, Thrive Capital and our Co- Founders have sufficient voting power to determine the outcome with respect to elections of directors, amendments to our certificate of incorporation, amendments to our bylaws that are subject to a stockholder vote, increases to the number of shares available for issuance under our equity incentive plans or adoption of new equity incentive plans, and approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction requiring stockholder approval for the foreseeable future. In addition, this concentrated control may also prevent or discourage unsolicited acquisition proposals or offers for our capital stock that ~~you~~ **our other stockholders** may feel ~~are~~ **is** in ~~your~~ **their** best interest ~~as one of our stockholders~~. This control may also adversely affect the market price of our Class A common stock. Because Thrive Capital ~~' s~~ and our Co- Founders' interests may differ from those of our other stockholders, actions that Thrive Capital and our Co- Founders take with respect to us, as significant stockholders, may not be favorable to our other stockholders, including holders of our Class A common stock. Thrive Capital and its affiliates engage in a broad spectrum of activities. In the ordinary course of its business activities, Thrive Capital and its affiliates may engage in activities where their interests conflict with our interests or those of our other stockholders. Thrive Capital or one of its affiliates may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. In addition, Thrive Capital may have an interest in us pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment in us, even though such transactions might involve risks to you. Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions. As among the individual holders of Class B common stock, the conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term (and decreasing the relative voting power of those holders of Class B common stock who transfer their shares). We cannot predict the effect our dual class structure may have on the market **price** of our Class A common stock. We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock, in adverse publicity, or in other adverse consequences. ~~For example, certain~~ **Certain** index providers ~~, such as S & P Dow Jones,~~ have ~~announced~~ **implemented, and may in the future determine to implement,** restrictions on including companies with multiple ~~-~~ **share** class ~~share~~ structures in certain of their indices **. For example** , ~~including the~~ **from July 2017 to April 2023,** S & P **Dow Jones excluded companies with multiple** ~~500. Accordingly, our dual class~~ share ~~structure would make us~~ **classes from the S & P Composite 1500. If we are** ineligible for inclusion in certain indices ~~and, as a result~~ **on account of our dual class structure** , mutual funds, exchange- traded funds, and other investment vehicles that attempt to passively track those indices may not invest in our Class A common stock. These policies are relatively new and it is unclear what effect, if any, they will have on the valuations of publicly- traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies that are included. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected. We ~~anticipate incurring substantial stock- based compensation expense related to performance- based awards, including particularly the Founders Awards, which may have an adverse effect on our financial condition and results of operations and may result in substantial dilution We have in the past and may in the future grant performance- based awards, as a result of which we may incur substantial stock- based compensation expenses and may expend substantial funds to satisfy tax withholding and remittance obligations. For example, in connection with our IPO, on March 5, 2021, we granted to Mario Schlosser and Joshua Kushner, our Co- Founders, an aggregate of 6, 344, 779 long- term performance- based restricted stock units (" PSUs "), which we refer to as the Founders Awards. Mr. Schlosser' s Founders Award consists of PSUs that cover 4, 229, 853 shares of Class A common stock, and Mr. Kushner' s Founders Award consists of PSUs that cover 2, 114, 926 shares of Class A common stock, in each case, at target levels. Each Founders Award will be eligible to vest based on the achievement of five pre-determined stock price goals ranging from $ 90. 00 to $ 270. 00 per share over a seven- year period following March 5, 2021, the closing of our IPO. Half of each Founders Award will become earned based on the achievement of such stock price goals (measured as a volume- weighted average stock price over 180 days) at any time between the second and seventh anniversaries of the closing of our IPO. The remaining half of each Founders Award also will become earned based on achieving the same stock price goals, but the period for measuring the achievement of those goals will be scaled between the second and seventh anniversaries of the closing of our IPO. Any PSUs that become earned PSUs will vest on, as applicable the third, fourth, fifth, sixth and / or seventh anniversary of the closing of our IPO or, if later, the date on which the applicable stock price goal is achieved, subject to continued service. Any PSUs that do not vest prior to or on the seven- year anniversary of the grant date automatically will be terminated without consideration. The PSUs are also subject to certain vesting acceleration terms. We will continue to record substantial stock- compensation expense for the Founders Awards. As of December 31, 2022, the amount of unrecognized compensation expense for the PSUs subject to the Founders Awards is $ 51. 5 million, which is expected to be recognized over a weighted- average period of 2. 97 years. In addition, any PSUs subject to the Founders Awards that are earned and vest will be settled in shares of Class A common stock as soon as practicable after becoming vested. As a result, a potentially large number of shares of Class A common stock will be issuable if the applicable vesting conditions are satisfied, which would dilute your ownership of us. We~~ are a " controlled company " within the meaning of the rules of NYSE and, as a result, we rely on exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements. We are a " controlled company " within the meaning of the corporate governance standards of the New York Stock Exchange (" NYSE "). Under these rules, a listed company of which more than 50 % of the voting power is held by an individual, group or another company is a " controlled company " and may elect not to comply with certain corporate governance requirements, including: • the requirement that a majority of the board of directors consist of independent directors; • the requirement that our nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; • the requirement that our compensation committee be composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and • the requirement for an annual performance evaluation of our nominating and corporate governance and compensation committees. We currently are not relying on these exemptions, except for the exemption from the requirement that our nominating and corporate governance committee be composed entirely of independent directors. However, as long as we remain a " controlled company, " we may elect in the future to take advantage of any of these other exemptions. As a result of any such election, our board of directors may not have a majority of independent directors, our compensation committee may not consist entirely of independent directors, and our directors may not be nominated or selected by independent directors. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. We do not intend to pay dividends on our Class A common stock for the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. As a result, we do not anticipate declaring or paying any cash dividends on our Class A common stock in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors, subject to applicable laws, and will depend on, among other things, our business prospects, results of operations, financial condition, cash requirements and availability, industry trends, and other factors that our board of directors may deem relevant. Any such decision also will be subject to compliance with contractual restrictions and covenants in the agreements governing our current indebtedness. In addition, our ability to pay dividends in the future depends on the earnings and distributions of funds from our health insurance subsidiaries. Applicable state insurance laws restrict the ability of such health insurance subsidiaries to declare stockholder dividends and require our health insurance subsidiaries to maintain specified levels of statutory capital and surplus. The Revolving Credit Facility contains restrictions on our ability to pay dividends. Moreover, we may incur additional indebtedness, the terms of which may further restrict or prevent us from paying dividends on our Class A common stock. As a result, you may have to sell some or all of your Class A common stock after price appreciation in order to generate cash flow from your investment, which you may not be able to do. Our inability or decision not to pay dividends could also adversely affect the market price of our Class A common stock. We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Class A common stock, which could depress the price of our Class A common stock. Our amended and restated certificate of incorporation ~~filed in connection with our IPO~~ (the " Amended Charter ") authorizes us to issue one or more series of preferred stock. Our board of directors will have the authority to determine the powers, designations, preferences, and relative, participating, optional or other special rights, and the qualifications, limitations, or restrictions thereof, of the shares of preferred stock and to fix the number of shares constituting any series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend, and other rights superior to the rights of our Class A common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our Class A common stock at a premium to the market price, and may materially and adversely affect the market price and the voting and other rights of the holders of our Class A common stock. Future sales and issuances of our Class A common stock or rights to purchase our Class A common stock, including pursuant to our equity incentive plans, or other equity securities or securities convertible into our Class A common stock, could result in additional dilution of the percentage ownership of our stockholders and could cause the stock price of our Class A common stock to decline. We have filed registration statements with the SEC on Form S- 8 to register shares of our Class A common stock issued or reserved for issuance under our 2012 Stock Plan, 2021 Incentive Award Plan, 2022 Employment Inducement Incentive Award Plan, and Employee Stock Purchase Plan and expect to file additional registration statements on Form S- 8 in the future. Subject to the satisfaction of vesting conditions, shares issued pursuant to or registered under the registration statement on Form S- 8 will be available for resale immediately in the public market without restriction. From time to time in the future, we may also issue additional shares of our Class A common stock, Class B common stock or securities convertible into Class A common stock pursuant to a variety of transactions, including acquisitions. The issuance by us of additional shares of our Class A common stock or securities convertible into our Class A common stock would dilute the ownership of our existing stockholders. In addition, the sale of substantial amounts of shares of our Class A common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Class A common stock. All of the shares of Class A common stock sold in our IPO are freely tradable without restriction or further registration under the Securities Act, except that any shares held by our affiliates, as that term is defined under Rule 144 of the Securities Act, may be sold only in compliance with certain limitations. The market price of our shares of Class A common stock could drop significantly if the holders of such restricted shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of Class A common stock or other securities. ~~We are no longer an emerging growth company and the reduced compliance requirements applicable to emerging growth companies no longer apply to us. We no longer qualify as an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012 (the " JOBS Act ") and as such we no longer are entitled to rely on exemptions from certain compliance requirements that are applicable to companies that are emerging growth companies. As a result, subject to certain grace periods, we are now required to: • engage an independent registered public accounting firm to provide an attestation report on our internal controls over financial reporting pursuant to Section 404 (b) of the Sarbanes- Oxley Act of 2002; • submit certain executive compensation matters to stockholder~~

~~advisory votes; and • disclose a compensation discussion and analysis, including disclosure regarding certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer' s compensation to median employee compensation. We are no longer able to take advantage of cost savings associated with the JOBS Act. Furthermore, if the additional requirements applicable to non- emerging growth companies divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition and results of operations. The increased costs will decrease our net income or increase our net loss and may require us to reduce costs in other areas of our business. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. Furthermore, if we are unable to satisfy our obligations as a non- emerging growth company, we could be subject to delisting of our common stock, fines, sanctions and other regulatory action and potentially civil litigation~~ Anti- takeover provisions in our governing documents and under Delaware law could make an acquisition of ~~our~~ **the** ~~company~~ **Company** more difficult, limit attempts by our stockholders to replace or remove our current management, and depress the market price of our Class A common stock. Our Amended Charter, **our** amended and restated bylaws ~~filed in connection with our IPO~~ (the" Amended Bylaws"), and Delaware law contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors. Among others, our Amended Charter and Amended Bylaws include the following provisions: • a dual class structure that provides our holders of Class B common stock with the ability to control the outcome of matters requiring stockholder approval; • limitations on convening special stockholder meetings, which could make it difficult for our stockholders to adopt desired governance changes; • advance notice procedures, which apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders; • a prohibition on stockholder action by written consent, which means that our stockholders will only be able to take action at a meeting of stockholders; • a forum selection clause, which means certain litigation can only be brought in Delaware; • no authorization of cumulative voting, which limits the ability of minority stockholders to elect director candidates; • certain amendments to our certificate of incorporation will require the approval of two- thirds of the then outstanding voting power of our capital stock, voting as a single class; • amendments to our bylaws by our stockholders will require the approval of two- thirds of the then outstanding voting power of our capital stock, voting as a single class; • the authorization of undesignated or " blank check " preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders and which may be used to create a " poison pill "; • newly created directorships are filled by a majority of directors then in office; and • the approval of two- thirds of the then outstanding voting power of our capital stock, voting as a single class, is required to remove a director. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law (the " DGCL "), which prevents interested stockholders, such as certain stockholders holding more than 15 % of our outstanding common stock from engaging in certain business combinations for a period of 3 years following the time that such stockholder became an interested stockholder, unless (i) prior to the time such stockholder became an interested stockholder, the board approved the transaction that resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction that resulted in such stockholder becoming an interested stockholder, the interested stockholder owned 85 % of the voting stock of the Company outstanding at the time the transaction commenced (excluding certain shares) or (iii) following board approval, the business combination receives the approval of the holders of at least two- thirds of our outstanding common stock not owned by such interested stockholder. The insurance laws in most states require regulatory review and approval of a change in control of our domestic insurers. " Control " generally means the possession, direct or indirect, of the power to direct, or cause the direction of, the management and policies of an insurer, whether through the ownership of voting securities, by contract, or otherwise. The state statutes usually presume that control exists if a person or company, directly or indirectly, owns, controls, or holds the power to vote ten percent (10 %) or more of the voting securities of an insurer or a parent company, but some states may presume control at a lower percentage. This presumption can then be rebutted by showing that control does not exist. Accordingly, a change in control could trigger regulatory review and approval in one or more states in which we operate. Any provision of our Amended Charter, Amended Bylaws, Delaware law, or applicable state insurance law that has the effect of delaying, preventing, or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock. Our Amended Charter provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for substantially all disputes between us and our stockholders, and federal district courts are the sole and exclusive forum for Securities Act claims, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our Amended Charter provides that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for: (a) any derivative action, suit, or proceeding brought on our behalf; (b) any action, suit, or proceeding asserting a claim of breach of fiduciary duty owed by any of our current or former directors, officers or other employees or stockholders to us or to our stockholders, creditors, or other constituents; (c) any action, suit, or proceeding asserting a claim arising pursuant to the DGCL, our Amended Charter or Amended Bylaws, or as to which the DGCL confers exclusive jurisdiction on the Court of Chancery of the State of Delaware; or (d) any action, suit, or proceeding asserting a claim governed by the internal affairs doctrine; provided that the exclusive forum provisions will not apply to suits brought to enforce any liability or duty created by the Exchange Act, or to any claim for which the federal courts have exclusive jurisdiction. Our Amended Charter further provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts are the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. The choice of forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our current or former directors, officers, or other employees or stockholders, which may discourage such lawsuits against us and our current or former directors, officers, and other employees or stockholders. Alternatively, if a court were to find the choice of forum provisions contained in our Amended Charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, and results of operations. General Risk Factors The obligations associated with being a public company require significant resources and management attention ~~, and we have and will continue to incur increased costs as a result of being a public company~~ . As a public company, we face increased legal, accounting, administrative, and other costs and expenses that we did not incur as a private company. We have incurred, and expect to continue to incur, significant costs related to operating as a public company. We are subject to the Exchange Act, the rules and regulations implemented by the SEC, the Sarbanes- Oxley Act, the Dodd- Frank Act, the Public Company Accounting Oversight Board (the " PCAOB "), and the rules and standards of the NYSE, each of which imposes additional reporting and other obligations on public companies ~~. As a public company, we are required to, among others: • prepare, file, and distribute annual, quarterly, and current reports with respect to our business and financial condition; • prepare, file, and distribute proxy statements and other stockholder communications; • expand the roles and duties of our Board and committees thereof, and management; • hire additional financial and accounting personnel and other experienced accounting and finance staff with the expertise to address complex accounting matters applicable to public companies; • institute more comprehensive financial reporting and disclosure compliance procedures; • utilize outside counsel and accountants to assist us with the activities listed above; • enhance our investor relations function; • establish new internal policies, including those relating to trading in our securities and disclosure controls and procedures; • comply with NYSE' s listing standards; and • comply with the Sarbanes-Oxley Act~~ . These rules and regulations and changes in laws, regulations, and standards relating to corporate governance and public disclosure, which have created uncertainty for public companies, will continue to increase our legal and financial compliance costs and make some activities more time consuming and costly. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Our investment in compliance with existing and evolving regulatory requirements has and will continue to result in increased administrative expenses and a diversion of management' s time and attention from revenue- generating activities to compliance activities, which could have a material adverse effect on our business, financial condition, and results of operations. ~~In addition, the need to establish the corporate infrastructure demanded of a public company may also divert management' s attention from implementing our business strategy, which could prevent us from improving our business, financial condition, and results of operations. If we do not continue to develop and implement the right processes and tools to manage our changing enterprise and maintain our culture, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition, and results of operations. In addition, we cannot predict or estimate the amount of additional costs we may incur to comply with these requirements. We anticipate that these costs will materially increase our general and administrative expenses. Being a public company and complying with applicable rules and regulations also makes it more difficult and more expensive for us to obtain director and officer liability insurance. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees, or as executive officers.~~ If our operating and financial performance in any given period does not meet the guidance that we provide to the public, the market price of our Class A common stock may decline. We may, but are not obligated to, provide public guidance on our expected operating and financial results for future periods. Any such guidance will be comprised of forward-looking statements subject to the risks and uncertainties described in this report, and in our other public filings and public statements. Our actual results may not always be in line with or exceed any guidance we have provided, especially in times of economic uncertainty. If, in the future, our operating or financial results for a particular period do not meet any guidance we provide or the expectations of investment analysts, or if we reduce our guidance for future periods, the market price of our Class A common stock may decline. Even if we do issue public guidance, there can be no assurance that we will continue to do so in the future. ~~A new 1 % U. S. federal excise tax could be imposed on us in connection with any redemptions we undertake. On August 16, 2022, the Inflation Reduction Act of 2022 (the " IRA ") was signed into federal law. The IRA provides for, among other things, a new U. S. federal 1 % excise tax on certain repurchases (including redemptions) of stock by publicly traded U. S. corporations and certain other persons (a " covered corporation "). Because we are a Delaware corporation and our securities are trading on the NYSE, we are a " covered corporation " for this purpose. The excise tax is imposed on the repurchasing corporation itself, not its stockholders from which shares are repurchased. The amount of the excise tax is generally 1 % of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the excise tax. The U. S. Department of Treasury has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the excise tax. If we were to conduct repurchases of our stock or other transactions covered by the excise tax described above, we could potentially be subject to this excise tax, which could increase our costs and adversely affect our operating results.~~