UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

or

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

For the transition period from __________to__________

Commission File Number: 001-40154

Oscar Health, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-1315570**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
	Identification No.)
75 Varick Street, 5th Floor New York, NY	**10013**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(646) 403-3677**
Former name, former address and former fiscal year, if changed since last report: **N/A**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.00001 par value per share	**OSCR**	**New York Stock Exchange**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
As of June 28, 2024, the last business day of the registrant's most recently completed second quarter, the approximate market value of the registrant's common stock held by non-affiliates was $3.1 billion based on a closing price of $15.82 per share on the New York Stock Exchange.

Class of Stock	Shares Outstanding as of January 31, 2025
Class A Common Stock, par value $0.00001 per share	215,053,599
Class B Common Stock, par value $0.00001 per share	35,514,201

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement relating to its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024 are incorporated herein by reference in Part III.

Oscar Health, Inc.

ANNUAL REPORT ON FORM 10-K

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This Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (“Annual Report on Form 10-K”) contains the following defined terms, unless context otherwise requires: (i) “Oscar,” “the Company,” “we,” “our,” “us” or like terms refer to Oscar Health, Inc. and its subsidiaries, (ii) “Thrive Capital” refers to Thrive Capital Management, LLC, a Delaware limited liability company, and the investment funds affiliated with or advised by Thrive Capital Management, LLC and (iii) “Thrive General Partners” refers to Thrive Partners II GP, LLC, Thrive Partners III GP, LLC, Thrive Partners V GP, LLC, Thrive Partners VI GP, LLC, Thrive Partners VII GP, LLC, and Thrive Partners VII Growth GP, LLC, each of which is a general partner of a Thrive Capital-affiliated fund.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the fiscal year ended December 31, 2024 contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this Annual Report on Form 10-K may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “forecasts,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements regarding our future results of operations and financial position, risk adjustment transfer payments, industry, regulatory and business trends, our commercial arrangements, business strategy, plans and plan mix, membership and market growth, and our objectives for future operations.

The forward-looking statements in this Annual Report on Form 10-K are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the important factors discussed in Part I, Item 1A, “Risk Factors” in this Annual Report on Form 10-K. The forward-looking statements in this Annual Report on Form 10-K are based upon information available to us as of the date of this Annual Report on Form 10-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Annual Report on Form 10-K and the documents that we reference in this Annual Report on Form 10-K and have filed as exhibits to this Annual Report on Form 10-K with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Annual Report on Form 10-K, whether as a result of any new information, future events or otherwise.

SUMMARY RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those described in Part I, Item 1A. "Risk Factors" in this Annual Report on Form 10-K. You should carefully consider these risks and uncertainties when investing in our Class A common stock. The principal risks and uncertainties affecting our business include the following:

- Our ability to execute our strategy and manage our growth effectively;
- Our ability to retain and expand our member base;
- Our ability to accurately estimate our incurred medical expenses or effectively manage our medical costs or related administrative costs;
- Our ability to maintain profitability in the future;
- Unanticipated results of or changes to risk adjustment programs;
- Our ability 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;
- Changes in federal or state laws or regulations, including changes with respect to the Patient Protection and Affordable Care Act and any regulations enacted thereunder;
- Our ability to comply with ongoing regulatory requirements, including capital reserve and surplus requirements and applicable performance standards;
- Changes or developments in the health insurance markets in the United States;
- Our, or any of our vendors', ability to comply with laws, regulations, and standards related to the handling of information about individuals or applicable consumer protection laws, including as a result of our participation in government-sponsored programs;
- Heightened competition in the markets in which we participate;
- Our ability to utilize quota share reinsurance to meet our capital and surplus requirements and protect against downside risk on medical claims;
- Unfavorable or otherwise costly outcomes of lawsuits, audits, investigations, and claims that arise from the extensive laws and regulations to which we are subject;
- Incurrence of data security breaches of our and our partners' information and technology systems;
- Our ability to attract and retain qualified personnel;
- Our ability to detect and prevent material weaknesses or significant control deficiencies in our internal controls over financial reporting or other failure to maintain an effective system of internal controls; and
- Adverse publicity or other adverse consequences related to our dual class structure or "controlled company" status.

Before you invest in our Class A common stock, you should carefully consider all of the information in this Annual Report on Form 10-K, including matters set forth under the heading "Risk Factors."

PART I

Item 1. Business

OUR BUSINESS

Oscar is a leading healthcare technology company built around a full stack technology platform and a relentless focus on member experience. We offer health plans through the Patient Protection and Affordable Care Act ("ACA") serving individuals, families, and employees. We have been challenging the status quo in the healthcare system since our founding in 2012 and are dedicated to making a healthier life accessible and affordable for all. Our technology drives superior experiences, deep engagement, and high-value clinical care, earning us the trust of approximately 1.68 million effectuated members, as of December 31, 2024. Effectuated members are those who are actively enrolled in our plan and have either paid their premium or are within the grace period.

In addition to supporting our insurance business, our differentiated technology platform also powers both providers and payors through +Oscar. We offer Campaign Builder, an engagement and recommendation platform that leverages the wisdom from 12+ years of building the Oscar member experience. The platform delivers continuous care management by informing population identification and delivering personalized interactions with real time reporting and analytics to measure key outcomes and insights.

Our Offerings

Oscar's innovative technology-enabled model - made up of Oscar's insurance business and +Oscar - is uniquely positioned to meet the rising expectations of individuals, families, and employees, as well as +Oscar clients. Oscar's business is built upon our focus on member experience and our cloud-native technology platform.

Oscar's Insurance Business

Oscar's health plans are offered in the individual market. The individual market primarily consists of policies purchased by individuals and families through health insurance marketplaces, established by the ACA and operated by the federal government, as well as other marketplaces operated by individual states (collectively, "Health Insurance Marketplaces"). Individuals and families may also purchase policies in the individual market off-exchange. Employees whose employers have chosen to offer an Individual Coverage Health Reimbursement Arrangement ("ICHRA") are also able to purchase Oscar's health plans. Most ICHRA plans are purchased by employees off-exchange, although they may also be purchased through the Health Insurance Marketplace.

We offer health plans in the individual market under the five metal plan categories defined by the ACA: Catastrophic, Bronze, Silver, Gold, and Platinum. These plans differ based on the size of the monthly premium and the level of sharing of medical costs between Oscar and our members. Oscar works to bring new and innovative insurance products to market, built to meet the healthcare needs of consumers from various communities. Oscar does this with an eye towards promoting health outcomes, accessibility, affordability, and closing critical gaps in benefits for consumers. Our products help remove financial barriers to high-value services, with a focus on leveraging affordable care, clinical strategies, and our innovative business model, which collectively, empower and incentivize our members to have better control of their health. Some of our products incorporate benefits and programs of particular value to members with complex conditions, such as diabetes and asthma.

Our premium rates, along with specific rate changes, are required to be approved by applicable state and federal regulatory agencies in accordance with the ACA. Additionally, various federal and state laws have minimum Medical Loss Ratio ("MLR") requirements. MLR is defined as provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Components of our Results of Operations—Medical Loss Ratio". We elect to participate in a given individual market on an annual basis. Our base premiums are subject to a risk adjustment based on the health status of our members relative to the overall health status of all individuals in a given state or market. Risk adjustment is defined as provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments, Trends and Other Key Factors Impacting Performance—Risk Adjustment".

+Oscar Platform
Oscar's success is built upon our superior member engagement and robust technology platform. Through the +Oscar platform, we deploy our technology to power others throughout the healthcare system. Campaign Builder, our engagement and recommendation platform for providers and payors, leverages predictive analytics to identify high value opportunities for engagement and to deliver personalized interactions with real time reporting and analytics to measure key outcomes and insights. +Oscar currently serves nearly 500,000 client lives on its Campaign Builder platform, in addition to the approximately 1.68 million members enrolled in Oscar health insurance, in each case as of December 31, 2024.

Our Provider Contracts and Network

Our health plans include access to a network of high-quality physicians and hospitals, as well as a Care Team that supports members from finding a doctor to navigating costs. As portions of the healthcare system increasingly shift towards offering more selective networks, we believe the insurers that will thrive are those that consistently deliver a high-quality experience by engaging their members and routing care to in-network facilities and physicians that offer quality care at affordable rates. Oscar has exclusive provider organization ("EPO") plans in most of our markets, and also offers health maintenance organization ("HMO") plans in select markets. We work with technology-forward, high brand-recognition health systems, including some of the largest health systems in the U.S.

While we generally have a standard set of terms that we propose for our provider contracting relationships, each health market in which we operate is unique, and therefore our negotiated contract terms are specific to each market and health provider. For instance, the fee structures for these contracts vary, and can include fee-for-service arrangements, value-based incentives and payment structures, or payments on a capitation basis.

Membership

Markets
Oscar's member-first philosophy and innovative approach to care earned us the trust of approximately 1.68 million effectuated members as of December 31, 2024. We offer coverage for individuals and families in 18 states. We regularly evaluate our markets for strategic fit and enter or exit markets accordingly. We exited the Medicare Advantage market before the 2024 plan year and stopped offering small group products in all markets as of December 15, 2024. The Company also decided not to renew the Oscar+Cigna Small Group arrangement after its initial term ended on December 31, 2024.

Concentration
We generate the vast majority of our total revenue from health insurance policy premiums. Premiums are collected directly from the Centers for Medicare & Medicaid Services ("CMS") as part of the advanced premium tax credits ("APTC") program, as well as from our members. For the year ended December 31, 2024, $9,512.3 million and $799.3 million of premiums were earned directly from CMS and from our members, respectively.

Disaggregated membership information as of December 31, 2024 and 2023 is presented in the tables below:

Membership by Offering

	As of December 31,	
	2024	**2023**
Individual and Small Group	1,636,400	967,002
Medicare Advantage	—	1,781
Cigna+Oscar (1)	40,570	67,500
Total Members (2)	**1,676,970**	**1,036,283**

(1) Represents total membership for our co-branded partnership with Cigna.
(2) A member covered under more than one of our health plans counts as a single member for the purposes of this metric.

Membership by State

	As of December 31,	
	2024	**2023**
Florida	871,881	593,867
Georgia	379,680	117,189
Texas	141,000	112,554
Ohio	82,845	27,871
Tennessee	31,887	10,228
Iowa	26,767	10,344
Missouri	26,119	7,604
New Jersey	23,416	18,842
Arizona	14,386	16,783
Kansas	13,816	3,808
Oklahoma	12,153	20,352
Illinois	11,138	6,057
California	10,981	50,511
New York	10,902	14,021
Connecticut	7,658	19,660
North Carolina	5,403	780
Michigan	2,909	1,784
Pennsylvania	2,732	3,193
Nebraska	929	499
Virginia	368	336
Total	**1,676,970**	**1,036,283**

Seasonality

Our business is generally affected by the seasonal patterns of our member enrollment, medical expenses, and health plan mix shift and policy design. Special Enrollment Periods ("SEP") or other market dynamics that drive enrollment and/or mix changes throughout the year may impact the per member levels of premiums, claims, and/or risk adjustment transfers.

SEP refers to a period outside the Open Enrollment Period or Annual Election Period when an eligible person can enroll in a health plan or make changes to an existing health plan. A person is generally eligible to participate in a SEP if certain qualifying life events occur, such as losing certain health coverage, moving, getting married, having a baby, or adopting a child or resulting from regulatory requirements.

Members
Our membership is measured as of a particular point in time. Membership may vary throughout the year due to disenrollments, any SEP, and other market dynamics that are in effect such as Medicaid redeterminations, other legislative or regulatory actions, or other factors that enable the overall market to grow or decline throughout the year.

Claims Incurred
Our medical expenses are impacted by seasonal effects of medical costs such as the utilization of deductibles and out-of-pocket maximums over the course of the policy year, which shifts more costs to us in the second half of the year as we pay a higher proportion of covered claims costs, and the number of days and holidays in a given period. Our medical and pharmacy costs can also exhibit seasonality depending on selection effects or changes in the risk profile of our membership and the proportion of our membership that is new in the calendar year. The emergence of medical and pharmacy claims is influenced by the aforementioned drivers, and further mix shifts may continue to alter claims incurred patterns in future periods.

Reinsurance

We believe our reinsurance agreements help us achieve important goals for our business, including risk management and capital efficiency. Our reinsurance is contracted under two different types of arrangements: quota share reinsurance contracts and excess of loss (“XOL”) reinsurance contracts. In quota share reinsurance, the reinsurer agrees to assume a specified percentage of the ceding company’s losses in exchange for a corresponding percentage of premiums. In XOL reinsurance, the reinsurer agrees to assume all or a portion of the ceding company’s losses in excess of a specified amount. Under XOL reinsurance, the premium payable to the reinsurer is negotiated by the parties based on losses on an individual member in a given calendar year and their assessment of the amount of risk being ceded to the reinsurer. In the case of federal and state-run reinsurance programs, no reinsurance premiums are paid. The reinsurance agreements do not relieve us of our primary medical claims incurred obligations.

OUR DIFFERENTIATED TECHNOLOGY PLATFORM

Oscar’s technology stack is purpose-built to empower the modern consumer throughout different stages of life. Since inception, Oscar has been focused on building our technological infrastructure and end-to-end experience. We have built our own cloud-native single-threaded technology platform, meaning it spans all critical healthcare insurance and technology domains, including member and provider data, utilization management, claims management, billing, and benefits. Owning our platform from end to end offers us greater control over the member experience, engagement, and affordability, and enables us to provide a superior experience for our members and providers.

Our technology platform provides members with a simple and intuitive consumer experience that enables them to take control of their healthcare decisions. The Oscar member experience begins with trust and engagement, which we earn by providing our members with features to help them navigate the many disconnected elements of the healthcare ecosystem. Our technology is fueling advancement in member engagement and stakeholder satisfaction by focusing on:

- Powering personalized engagement to drive real-time information flow based on cultural preferences and individual health needs to reduce member friction and improve retention.
- Improving navigation by making it easier for members to receive high-value clinical care through enhanced digital tools and process automation.
- Solving key pain points that unburden providers by reducing administrative tasks, deepening network relationships, and enabling better care delivery for our members (e.g., digitizing provider-member interactions and automating clinical and administrative workflows).

It is the combination of all these factors—trust, engagement, and personalized insights—that enables us to help members find quality care at rates they can afford. Our ability to deliver a high-value product, in turn, engenders more trust, engagement, and ability on our part to provide personalized, data-driven insights. We refer to this virtuous cycle as our member engagement engine.

Product features such as virtual care, and our Care Teams are how we build the trust, engagement, and relationships needed to help members bend the cost curve in healthcare. By leveraging Campaign Builder, our engagement and automation engine, we are able to rapidly create and iterate upon omnichannel member outreach programs to drive adherence to important clinical pathways. Owning the technologies that power our business from end to end lets us pioneer new ways of addressing frictions in the healthcare system and is the foundation for Oscar's mission to make a healthier life accessible and affordable for all. Today, this platform provides the foundation for our personalized data insight and analysis as well as our critical cost structure savings. As a result, engagement with our technology platform and customer satisfaction remains high, relative to industry average. During the fourth quarter of 2024, our net promoter score reached 66, which is meaningfully higher than the industry average.

Our platform is an increasingly powerful force driving the performance of Oscar's insurance business – fueling growth, engagement, and operational efficiencies. Artificial Intelligence and machine learning technologies ("AI Technologies") have the potential to further power what we can do. We have use cases for AI Technologies in the pipeline across all levels of our technology stack, including: (i) automation to drive efficiencies in our administrative functions, including virtual care and claims processing, (ii) member personalization, to improve the quality of touchpoints members have with the healthcare ecosystem; and (iii) medical record extraction, to better understand our members.

We believe competitors who lack this member engagement engine will face significant challenges in replicating our consumer experience, and our platform thus forms an important structural barrier around the innovations we have developed.

OUR STRATEGIC FOCUS

We built our strategy around several core trends in healthcare including consumerization, digitization, and the shift towards personalization. Over time, we have been observing the overall healthcare system move towards these trends, which not only validates our strategy, but provides us with a first mover advantage. We are now a scaled health insurer with approximately 1.68 million effectuated members as of December 31, 2024. We offer an exceptional member experience, high member engagement, and our own technology stack that we have built from end to end. In 2024, we achieved profitability on both a consolidated Adjusted EBITDA and net income basis. Adjusted EBITDA is a non GAAP measure. The definition and our use of Adjusted EBITDA are provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Adjusted EBITDA". Additionally, a reconciliation to net income (loss), the most directly comparable GAAP measure, can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Adjusted EBITDA".

We continue to believe that ICHRA will disrupt traditional employer group coverage and expand individual insurance beyond the traditional ACA market. Our goal is to position Oscar as the preferred carrier for employees enrolling in health insurance through an ICHRA program. Employers can now offer defined contributions to their employees to access Oscar's suite of products in the markets where Oscar offers health plans. We are partnering with a variety of ICHRA platforms to transition small, mid- and large-sized employers to the individual market where their employees can choose an Oscar product that meets their individual needs.

Our strategic priorities include: running a great company with market-leading, sustainable, scalable operations; continually investing in our superior member experience; harnessing our technology to power others; and developing innovative market offerings to expand the individual market.

HUMAN CAPITAL RESOURCES

As of December 31, 2024, we had approximately 2,400 full-time employees.

At Oscar, we are powered by people from varied and broad backgrounds, experiences, and industries. We foster a culture in which our employees share a common connection to our mission: they are passionate about making a frustrating healthcare system easier, more human, and better for everyone. These principles drive our core values:

1. What we do is a big deal. *We're solving problems that change and save lives.*
2. Powered by people. *Members above all. Developing and growing others is what raises the bar.*
3. No genius without grit. *Be relentless. Be scrappy. Trying and failing beats not trying and changing nothing.*
4. Seek the truth. *But never assume you've found it. Be scientific.*

5. Inspire and provoke. *Develop and display leadership at all levels. Fight to be the best.*
6. Be transparent. *Give and ask for direct feedback. Be grateful for and excited by the help of others.*
7. Make it right. *Admit your mistakes. Then learn from them. Never build alone.*

Talent Recruitment and Retention

As a mission-driven company, we prioritize attracting and retaining qualified personnel who share our mission to make a healthier life affordable and accessible to all. This centers around what we believe to be a compelling employee value proposition, that includes competitive pay and benefits, flexible work styles, opportunity to make real impact towards the Oscar mission, and ongoing performance development.

We compete to hire and retain highly talented individuals from all backgrounds, and we offer our employees compensation packages designed to be competitive and aligned with market best practices. Our compensation packages include base salary and some of the following components, depending on the role, level, and business function: a short-term incentive that takes into account company and individual performance, long-term incentive equity, performance-based equity, commissions, and overtime pay. We believe our compensation philosophy and practice, which is rooted in data and benchmarked to a cohort of technology, healthcare, operations, and insurance peer companies, is transparent, systematic, and equitable.

As a result of our shift to a flexible workforce and expanding our recruiting efforts beyond states where we maintain a physical office location, we have had the opportunity to further expand the geographic diversity of our workforce.

Health and Wellbeing

At Oscar, we believe that making a healthier life affordable and accessible to all begins with our own workforce, and we continually seek opportunities to optimize our employee offerings including events, activities, benefits, perks and community support. We have invested in a benefits package designed to be comprehensive and affordable, providing protection and support to help our employees achieve health, financial, and wellness goals, with services including mental health care, fertility support, and family-building benefits. We also believe in the importance of investing in developmental opportunities for our employees, and all employees have access to internally created and third party skills and training programs. Lastly, we recognize that individuals may need to take time away from work for various reasons, so we offer paid time off and leave packages to all full-time employees. This includes wellness days, parental leave, and sabbatical leaves for more tenured employees.

Inclusion and Belonging

We recognize the importance of inclusion and belonging in the workplace, and we aim to embed efforts to foster an inclusive workplace across our full slate of human capital programming and operations. We believe that having a varied and broad employee base empowers our community, drives better business outcomes, and ultimately allows us to better serve our members.

Internally, we aim to promote a transparent, systematic approach to our human capital frameworks and operations. Specifically, with respect to compensation, all of our compensation decisions are rooted in benchmarking data and creating parity within like roles and we further reward employees based on performance, where it is warranted, in compliance with applicable federal and other laws and regulations. Our employees are able to view their total compensation package, including their salary band and leveling, which helps employees understand their pay and encourages proactive conversation between managers and employees. Beyond these processes, we strive for inclusivity by offering self-identification options in our human resource information systems and inclusive employee-oriented programming. We believe our Employee Resource Groups ("ERGs") are another important part of maintaining different perspectives and fostering connections across our organizations. In 2024, we had approximately nine ERGs which are open to all employees and focused on building community, awareness and advocacy based on the values that are shared within those groups.

We bring our workforce together to help inform the initiatives of our Culturally Competent Care Program, which strives to provide care to members with various values, beliefs, and behaviors, including tailoring care delivery to meet members' social, cultural, and linguistic needs.

COMPETITION

We operate in a highly competitive environment in an industry subject to significant and ongoing changes, including business and hospital system consolidations, new strategic alliances, market pressures, scientific and technological advances in medical care and therapeutics, as well as regulatory and legislative challenges and reform both at the federal and state level. This reform includes, but is not limited to, the federal and state healthcare reform legislation described under "—Government Regulation." In addition, changes to the political environment may drive additional shifts in the competitive landscape.

We compete directly and through independent intermediaries to enroll new and retain existing members, as we currently derive substantially all of our revenue from direct policy premiums. We believe that our principal competitive features affecting our ability to retain and increase membership include the range and prices of health plans offered, breadth and quality of provider network, comprehensiveness of coverage, benefits and wellness programs, quality of service and member experience, responsiveness to member demands, market presence, financial stability, and reputation.

As attracting new members depends in part on our ability to provide access to competitive provider networks, we compete in establishing such provider networks. We believe that the factors providers consider in deciding whether to contract with a health insurer include existing and potential member volume, reimbursement rates, timeliness and accuracy of claims payment and administrative service capabilities. While our health insurance subsidiaries are required to meet various federal and state requirements regarding the size and composition of our participating provider networks, our business model is based on contracting with selected healthcare systems and other providers, not all systems and providers in a given area. This allows us to work more closely with high quality healthcare systems that engage with us using our technology and to negotiate more favorable reimbursement rates from these healthcare systems.

The relative importance of each of the competitive factors mentioned in the above paragraphs and the identity of our principal competitors for members and providers varies by market and geography. Our principal competitors in the individual market primarily consist of plans offered by national carriers, regional carriers, Medicaid-focused insurers offering Health Insurance Marketplace products, and local Blue Cross plans.

SALES AND MARKETING

Our marketing and sales initiatives focus on member growth through three primary avenues: acquiring members through brokers, acquiring members directly through Health Insurance Marketplaces, and acquiring members directly through our digital platform. As a part of our ICHRA initiatives, we also partner with ICHRA platform companies to enroll employees in Oscar plans through their platforms.

The vast majority of our membership is acquired through the broker channel, and brokers typically use an Enhanced Direct Enrollment (EDE) platform to enroll the members in plans offered on the Health Insurance Marketplace. As such, we compete through the commissions and bonus structures we pay these partners. As a greater proportion of enrollment in the Health Insurance Marketplace comes through independent brokers, the amount of compensation paid to these third parties impacts both our ability to retain our current members and obtain new members. The proportion of broker-acquired business increased in 2024 compared to 2023 consistent with the macro trend in the Health Insurance Marketplace, where we see fewer members signing up directly on the exchanges. Our digital engagement platform, a key element of our retention strategy, is used by brokers and consumers.

Enterprise marketing and sales strategies also include account-based marketing, business development initiatives, member communications that are focused on member acquisition, and member engagement. We also use the data generated in member support interactions to constantly refine and improve our marketing campaigns.

INTELLECTUAL PROPERTY

We believe that our intellectual property rights are important to our business, and our commercial success depends, in part, on our ability to protect our core technologies, intellectual property and proprietary rights (such as source code, information, data, processes and other forms of information, know-how and technology). We primarily rely on copyright, trademark, and trade secret laws, as well as confidentiality procedures, and contractual arrangements to establish and protect our intellectual property. As of December 31, 2024, we exclusively owned three registered trademarks in the United States for our name (Oscar, Oscar Health, and Oscar Care). In addition, we have registered domain names for websites that we use or may use in our business. As of December 31, 2024, we owned no issued patents or pending patent applications anywhere in the world, and therefore, we do not have patent protection for any of our proprietary technology, which includes our full stack technology platform, proprietary software, mobile application ("app"), or web portal. However, our software and other proprietary information are protected by copyright on creation. Copyright registrations, which have so far not been necessary, may be sought on an as-needed basis.

We seek to control access to and distribution of our proprietary information, including our algorithms, source and object code, designs, and business processes, through security measures and contractual arrangements. We seek to limit access to our confidential and proprietary information to a "need to know" basis and enter into confidentiality and nondisclosure agreements with our employees, consultants, members, vendors, and partners that may receive or otherwise have access to any confidential or proprietary information. We also obtain written invention assignment agreements from our employees and consultants that assign to us all right, interest, and title to inventions and work product developed during their employment or service engagement, respectively, with us. In the ordinary course of business, we provide our intellectual property to external third parties through licensing or restricted use agreements. For information on risks associated with our intellectual property rights, see "Risk Factors—Risks Related to our Business—Failure to secure, protect, or enforce our intellectual property rights could harm our business, results of operations, and financial condition."

INFORMATION TECHNOLOGY

Our business is dependent on effective, resilient, and secure information systems that assist us in, among other things, monitoring utilization and other cost factors, processing provider claims, providing data to our regulators, and implementing our data security measures. Our members also depend upon our information systems for enrollment, primary care and specialist physician roster access, and other information, while our providers depend upon our information systems for eligibility verifications, claims status, and other information.

We partner with third parties, including Amazon and Google, to support our information technology systems. This makes our operations vulnerable to adverse effects if such third parties fail to perform adequately. We have entered into agreements with third-party vendors who manage certain of our information technology infrastructure services including, among other things, our information technology operations, end-user services, and platforms for cloud computing. As a result of such agreements, we have been able to reduce our administrative expenses over time, while improving the reliability of our information technology functions, and maintain targeted levels of service and operating performance. A segment of the infrastructure services is managed within our cloud platform, while other portions of the infrastructure services are managed externally by vendors. Our use of cloud service providers in particular is strategic, due to platform level redundancy in networking and computer hardware. As an example, we distribute our Amazon Web Services-hosted platform across multiple availability zones in an effort to reduce the likelihood of infrastructure failure.

We have established a program of security measures intended to protect our computer systems from security breaches and malicious activity and have implemented controls designed to protect the confidentiality, integrity, and availability of data, including protected health information ("PHI"), and the systems that store and transmit such data. We have employed various technology and process-based methods, such as network isolation, intrusion detection systems, vulnerability assessments, penetration testing, use of threat intelligence, content filtering, endpoint security (including anti-malware and detection response capabilities), email security mechanisms, and access control mechanisms. We also use encryption techniques for data at rest and in transit.

Our information systems and applications require continual maintenance, upgrading, and enhancement to meet our current and expected operational needs and regulatory requirements. We aim to regularly upgrade and expand our information systems' capabilities. For information on risks associated with our information technology systems, see "Risk Factors—Risks Related to our Business—If we are unable to integrate and manage our information systems effectively, our operations could be disrupted" and "Risk Factors—Risks Related to our Business—If we or our partners or other third parties with whom we collaborate fail to protect confidential information and/or sustain a data security incident, we could suffer increased costs, material financial penalties, exposure to significant liability, adverse regulatory consequences, and reputational harm, which would materially adversely affect our business, results of operations, and financial condition."

GOVERNMENT REGULATION

General

Our operations are subject to comprehensive and detailed federal, state, and local laws and regulations throughout the jurisdictions in which we do business. These laws and regulations, which can vary significantly from jurisdiction to jurisdiction, restrict how we conduct our businesses and result in additional burdens and costs to us. Further, federal, state, and local laws and regulations are subject to amendments and changing interpretations in each jurisdiction. In addition, there are numerous proposed healthcare laws and regulations at the federal, state, and local levels. For information on risks associated with our regulatory framework, see "Risk Factors—Most Material Risks to Us—Any changes to the ACA and its regulations could materially and adversely affect our business, results of operations, and financial condition; and Risk Factors—Risks Related to the Regulatory Framework that Governs Us."

Supervisory agencies, including federal and state regulatory and enforcement authorities, have broad authority to:

- grant, suspend, deny, and revoke certificates of authority to transact insurance;
- regulate our products and services;
- regulate, limit, or suspend our ability to market products, including the exclusion of our products from Health Insurance Marketplaces;
- monitor our network of contracted providers to ensure we meet specific state and/or federal quality, credentialing, availability and accessibility requirements on an ongoing basis and require regulatory assessment and approval annually as a condition of offering our products;
- approve premium rates;
- monitor our solvency and reserve adequacy;
- scrutinize our investment activities on the basis of quality, diversification, and other quantitative criteria; and
- impose criminal, civil, or administrative monetary penalties, and other sanctions for non-compliance with regulatory requirements.

To carry out the above tasks, CMS, state insurance regulators and other agencies periodically examine our current and past business practices, accounts and other books and records, operations and performance of our health plans, compliance with contracts, adherence to governing rules and regulations and the quality of care we provide to our members, including the quality, credentialing, availability and accessibility of contracted network providers. This information and these practices may be subject to routine surveys, mandatory data reporting and disclosure requirements, regular and special investigations and audits, and from time to time, we may receive subpoenas and other requests for information from government entities. The health insurance business also may be adversely impacted by court decisions that expand or invalidate the interpretations of existing statutes and regulations. It is uncertain whether we can recoup, through higher premiums or other measures, the increased costs caused by potential legislation, regulation, or court rulings.

State Regulation of Insurance Companies and HMOs

Our insurance and HMO subsidiaries must obtain and maintain regulatory approvals to sell specific health plans in the jurisdictions in which they conduct business. The nature and extent of state regulation varies by jurisdiction, and state insurance regulators generally have broad administrative authority with respect to all aspects of the insurance business. The Model Audit Rule, where adopted by states, requires expanded governance practices, risk and solvency assessment reporting and the 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 and insurance companies. Health insurers and HMOs are subject to state examination and periodic regulatory approval renewal proceedings. Some of our business activity is subject to other healthcare-related regulations and requirements, including utilization review, pharmacy service, or provider-related regulations and regulatory approval requirements. These requirements differ from state to state and may contain network adequacy, contracting, product and rate, licensing and financial and reporting requirements. There are laws and regulations that set specific standards for, among other things, delivery of services, appeals, grievances, payment of claims, the quality, credentialing, availability and accessibility of contracted providers participating in our networks, fraud prevention, protection of consumer health information, pricing and underwriting practices, and covered benefits and services.

In addition, we are regulated as an insurance holding company and are subject to the insurance holding company laws of the states in which our health insurance subsidiaries are domiciled. These laws and other laws that govern operations of insurance companies and HMOs contain certain reporting requirements, as well as restrictions on transactions between an insurer or HMO and its affiliates, and may restrict the ability of our health insurance subsidiaries to pay dividends to our holding companies. For example, under the regulations of certain states, our insurance subsidiaries may not declare or distribute a dividend to shareholders except out of earned surplus. Holding company laws and regulations generally require registration with applicable state departments of insurance and the filing of reports describing capital structure, ownership, financial condition, certain intercompany transactions, enterprise risks, corporate governance, and general business operations. In addition, state insurance holding company laws and regulations generally require notice or prior regulatory approval of certain transactions including acquisitions, material intercompany transfers of assets, and guarantees and other transactions between the regulated companies and their affiliates, including parent holding companies. Applicable state insurance holding company acts also restrict the ability of any person to obtain control of an insurance company or HMO without prior regulatory approval. These acts generally define “control” as the direct or indirect power to direct or cause the direction of the management and policies of a person and is presumed to exist if a person directly or indirectly owns or controls 10% or more of the voting securities of another person. Some state laws have different definitions or applications of this standard. Dispositions of control generally are also regulated under applicable state insurance holding company laws.

The states of domicile of our health insurance subsidiaries have statutory risk-based capital (“RBC”) requirements for insurance companies and HMOs. Most of our subsidiaries are subject to requirements based on the Risk-Based Capital For Health Organizations Model Act, with a few subsidiaries subject to state-specific RBC requirements that are not based on, but function similarly to, the Model Act. These RBC requirements are intended to assess the capital adequacy of life and health insurers and HMOs, taking into account the risk characteristics of a company’s investments and products. In general, under these laws, an insurance company or HMO must submit a report of its RBC level to the insurance regulator of its state of domicile. These laws typically require increasing degrees of regulatory oversight and intervention if a company’s RBC declines below certain thresholds. As of December 31, 2024, the RBC levels of our insurance and HMO subsidiaries expect to meet or exceed all applicable mandatory RBC requirements. For more information on RBC capital and additional liquidity and capital requirements, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Overview.”

Additionally, as a company that directly or indirectly controls insurers, we have an obligation to adopt a formal enterprise risk management (“ERM”) function and file enterprise risk reports on an annual basis. The ERM function and reports must address any activity, circumstance, event, or series of events involving the insurer that, if not remedied promptly, is likely to have a material adverse effect upon the financial condition or liquidity of the insurer, including anything that would cause the insurer’s RBC to fall below certain threshold levels or that would cause further transaction of business to be hazardous to policyholders or creditors, or the public. Similarly, in accordance with The National Association of Insurance Commissioners’ (“NAIC”) Risk Management and Own Risk Solvency Assessment Model Act, we must complete an annual “own risk and solvency assessment,” which is an internal assessment, appropriate to the nature, scale, and complexity of our company, of the material and relevant risks associated with the current business plan, and of the sufficiency of capital resources to support those risks.

Ongoing Requirements and Changes to the ACA

The ACA significantly changed the United States healthcare system. While we anticipate continued changes with respect to the ACA, either through Congress, court challenges, executive actions, or administrative action, we expect the major portions of the ACA to remain in place and continue to significantly impact our business operations and results of operations, including pricing, minimum MLRs, administration of the risk adjustment program, and the geographies in which our products are available.

The ACA prohibits annual and lifetime limits on essential health benefits, member cost-sharing on specified preventive benefits, and pre-existing condition exclusions. Further, the ACA implemented certain requirements for insurers, including the minimum MLR provision that requires insurers to pay rebates to members when insurers do not meet or exceed the specified annual MLR thresholds and requirements related to the quality, credentialing, availability and accessibility of contracted providers participating in our healthcare professional networks. In addition, the ACA required a number of other changes with significant effects on both federal and state health insurance markets, including strict rules on how health insurance is rated, what benefits must be offered, the assessment of new taxes and fees, the creation of public Health Insurance Marketplaces for individuals and small employer group health insurance and the availability of premium subsidies for qualified individuals. The ACA allows individual states to choose to enact additional state-specific requirements that extend ACA mandates and some of the states where we operate have implemented higher MLR percentage requirements, lower tobacco user rating ratios, and different age curve variations. Changes to our business environment are likely to continue as elected officials at the national and state levels continue to enact, and both elected officials and candidates for election continue to propose significant modifications to existing laws and regulations. For information on risks associated with ACA and changes to ACA, see “Risk Factors—Most Material Risks to Us—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.”

In general, the individual market risk pool that includes Health Insurance Marketplaces has changed significantly since its inception in 2014 and continues to exhibit risk volatility. Based on our experience in Health Insurance Marketplaces to date, we have made adjustments to our premium rates and participation footprint, and we will continue to evaluate the performance of such products going forward.

In addition, insurers have faced uncertainties related to federal government funding for various ACA programs. The ACA established significant subsidies to support the purchase of health insurance by individuals, in the form of APTCs, available through Health Insurance Marketplaces. APTCs are available to most individuals and families making between 100% and 400% of the federal poverty level (“FPL”). The American Rescue Plan Act (“ARPA”) increased the size of APTCs for individuals and families at every income level during 2021 and 2022, and the Inflation Reduction Act of 2022 renewed the enhanced APTCs for three years through the end of 2025. The enhanced APTCs result in $0 premiums for members under 150% FPL and lower premiums for all income brackets, with no member paying more than 8.5% of their income in premium. If Congress does not take action, the enhanced APTC subsidies will expire at the end of 2025 and the pre-ARPA subsidy structure will be reinstated.

Further, implementation of the ACA brings with it significant oversight responsibilities by health insurers that may result in increased governmental audits, increased assertions of alleged False Claims Act (“FCA”) liability, and an increased risk of other litigation.

Federal regulatory agencies continue to modify regulations and guidance related to the ACA and markets more broadly. Some of the more significant ACA rules are described below:

- The minimum MLR threshold for the individual market, as defined by U.S. Department of Health and Human Services ("HHS"), is 80%. Certain states require us to meet more restrictive MLR thresholds. For example, New York state law requires an 82% MLR for individual products and plans. These minimum MLR thresholds are based on definitions of an MLR calculation provided by HHS, or specific states, as applicable, and differ from our calculation of MLR based on premium revenue and benefit expense as reported in accordance with U.S. GAAP. Definitions under applicable MLR regulations also impact insurers differently depending upon their organizational structure or tax status, which could result in a competitive advantage to some insurance providers that may not be available to us, resulting in an uneven playing field in the industry. Failure to meet the minimum MLR thresholds triggers an obligation to issue premium rebates to members.

- The ACA directed the HHS Secretary to develop a system that rates qualified health plans ("QHPs"), certified by the Health Insurance Marketplace based on relative quality and price. As a QHP issuer, we must submit quality rating information in accordance with CMS guidelines as a condition of certification and participation in the Health Insurance Marketplaces. Our overall ratings, represented on a scale of 1.0 to 5.0 stars, are based on three categories: member experience, medical care, and plan administration. Quality rating information for QHPs is publicly displayed and accessible to consumers on all Health Insurance Marketplaces.

- Federal regulations require premium rate increases to be reviewed for individual products above specified thresholds that may be adjusted from time to time and enrollees to be notified of the premium rate increase in advance. The regulations provide for state insurance regulators to conduct the reviews, except in cases where a state lacks the resources or authority to conduct the required rate reviews, in which cases HHS will conduct the reviews.

- Prior to the implementation of the ACA, health insurers were permitted to use differential pricing based on factors such as health status, gender, and age. The ACA prohibits health insurers selling ACA-regulated plans in the individual market from using health status and gender in the determination of the insurance premium. In addition, age rating under the ACA is limited to a 3:1 ratio for adults age 21 and older, and tobacco use rating is limited to a 1.5:1 ratio. States also may choose to enact more restrictive rules than the federal minimum standards.

- CMS administers an ACA risk adjustment program, which is a system designed to stabilize premiums across the market by redistributing funds from plans with relatively healthy members to plans with higher-risk members. Under the program, each plan is assigned a risk score based upon demographic information and current year claims information related to its members. Plans with lower than average risk scores relative to the estimated market average risk score, when applied to the statewide average premium, will have a risk adjustment payable into the pool. Inversely, plans with higher than average risk scores relative to the estimated market average risk score, when applied to the statewide average premium, will have a risk adjustment receivable from the pool. In addition, the CMS and the HHS Office of Inspector General ("HHS-OIG") perform risk adjustment data valuation ("RADV") audits of health insurance plans to validate the coding practices of and supporting documentation maintained by healthcare providers, and such audits can result in adjustments to risk transfer payments.

- CMS has oversight of agents, brokers, and enhanced direct enrollment entities, all of whom facilitate member enrollments in coverage in the individual market. From time to time, CMS may issue regulations relating to administrative or operational requirements for these entities including but not limited to their licensure, program integrity requirements and processes to confirm eligibility of applicants. CMS has recently been increasingly focused on improving integrity in the eligibility and enrollment process and preventing unauthorized changes in consumer enrollments by agents and brokers, and we expect this focus to continue. For example, in 2024 CMS: (i) enhanced the ACA broker agent of record process to require stricter documentation and consumer consent protocols; (ii) required the Federal Marketplace to accept only applications submitted by agents and brokers through Classic Direct Enrollment and Enhanced Direct Enrollment pathways that include verifiable Social Security Numbers for all individuals over 90 days old; and (iii) required applications submitted by agents and brokers for non-citizen applicants to include a verifiable immigration document.

The Consolidated Appropriations Act of 2023 delinked the Medicaid continuous coverage from the end of the public health emergency ("PHE") for COVID-19, and Medicaid redeterminations were required to begin by April 1, 2023. Although redeterminations were expected to conclude by June 2024, CMS directed certain states to temporarily pause procedural terminations while they addressed issues in the renewal process that led to increased procedural disenrollments. CMS also announced an SEP that began March 31, 2023 and ended November 30, 2024. Data from CMS on Medicaid redeterminations showed significant increases in ACA plan enrollments among consumers in 2023 and 2024 who lost Medicaid or Children's Health Insurance Program ("CHIP") coverage. While CMS announced in 2024 that all unwinding-related renewals for beneficiaries enrolled in Medicaid or CHIP must be completed no later than December 31, 2025, our understanding is that the majority of states have now substantially completed their unwinding processes. We anticipate that any future impact on our membership in connection with ACA enrollments due to the unwinding of the Medicaid continuous enrollment condition will not be as significant as the membership growth we experienced in plan year 2024.

The Notice of Benefit and Payment Parameters ("NBPP") final rule is issued annually and contains comprehensive updates to ACA regulations. The NBPP for plan year 2025 was released on April 15, 2024, and the NBPP for plan year 2026 was issued on January 13, 2025. CMS limits the number of non-standard plan options that QHP issuers may offer on the federal ACA marketplace to two per product network type, per metal level (excluding catastrophic plans). QHP issuers were historically permitted to offer up to four non-standardized plan options. Unless the new presidential administration amends the NBPP for plan year 2026, the reduction in the number of non-standard plan offerings may limit our ability to offer innovative plan designs and continue to introduce uncertainty and disruption into the ACA marketplace. CMS has created an exceptions process for plans offered beyond the limit of two non-standardized plans if they provide twenty five percent reduced cost-sharing for chronic and high-cost condition benefits. This exceptions process provides a limited opportunity for innovation for products designed to serve members with chronic and high-cost condition benefits.

Privacy, Confidentiality and Data Standards Regulation

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") and the administrative simplification provisions of HIPAA impose a number of requirements on covered entities (including health insurers, HMOs, group health plans, certain providers, and clearinghouses) and their business associates relating to the use, disclosure and safeguarding of PHI. These requirements include uniform standards of common electronic healthcare transactions and privacy and security regulations, and unique identifier rules for employers, health plans, and providers.

In addition, the Health Information Technology for Economic and Clinical Health Act of 2009 and corresponding implementing regulations have imposed additional requirements on the use and disclosure of PHI such as additional breach notification and reporting requirements, contracting requirements for HIPAA business associate agreements, and strengthened enforcement mechanisms and increased penalties for HIPAA violations. Federal consumer protection laws may also apply in some instances to our privacy and security practices related to personally identifiable information.

On December 27, 2024, the U.S. Department of Health and Human Services (HHS), through its Office for Civil Rights (OCR), issued a proposed rule to improve cybersecurity and better protect the U.S. health care system from a growing number of cyberattacks. The proposed rule would modify the HIPAA Security Rule to require health plans and payers (insurance companies), and most health care providers, and their business associates, to strengthen cybersecurity protections for individuals' protected health information. This proposed rule is the latest step taken by OCR to address more frequent cyberattacks targeting the U.S. health care system, consistent with the HHS Healthcare and Public Health critical infrastructure sector Cybersecurity Performance Goals.

We maintain an internal HIPAA compliance program, which is designed to comply with HIPAA privacy and security regulations, adapt to new requirements if finalized, and have dedicated resources to monitor compliance with this program.

In addition, Health Insurance Marketplaces are required to adhere to privacy and security standards with respect to personally identifiable information and to impose privacy and security standards that are at least as protective as those the marketplaces must follow. These standards may differ from, and be more stringent than, HIPAA.

The use and disclosure of certain data that we collect or process about or from individuals are also regulated in some instances by other federal laws, including the Gramm-Leach-Bliley Act ("GLBA"), and state statutes implementing GLBA, in connection with insurance transactions in the states where we operate. Additionally, in response to the growing threat of cyber-attacks in the insurance industry, certain jurisdictions, including New York, have begun to consider new cybersecurity measures, including the adoption of cybersecurity regulations. In March 2017, the New York Department of Financial Services ("NYDFS") promulgated Cybersecurity Requirements for Financial Services Companies, which were amended in 2023 and require covered financial institutions to establish, implement and maintain a cybersecurity program and cybersecurity policies and procedures that meet specific requirements. Additionally, in 2017 the National Association of

Insurance Commissioners ("NAIC") adopted the Insurance Data Security Model Law, which established standards for data security and for the investigation and notification of insurance commissioners of cybersecurity events involving unauthorized access to, or the misuse of, certain nonpublic information. A number of states have enacted the Insurance Data Security Model Law or similar laws, and we expect more states to follow.

There are also numerous state and federal laws and regulations related to the privacy and security of health information. Laws in all 50 states require businesses to provide notices to affected individuals whose personal information has been disclosed as a result of a data breach, and certain states require notifications for data breaches involving individually identifiable health information. Most states require holders of personal information to maintain safeguards and take certain actions in response to a data breach, such as maintaining reasonable security measures and providing prompt notification of the breach to affected individuals and the state's attorney general. For further discussion, see "Risk Factors—Risks Related to the Regulatory Framework that Governs Us."

Furthermore, states have begun enacting more comprehensive privacy laws and regulations addressing consumer rights to data protection or transparency that may affect our privacy and security practices. The California Consumer Privacy Act of 2018 ("CCPA") and the California Privacy Rights Act of 2023 ("CPRA") began a trend toward more stringent privacy legislation in the United States, and multiple states have enacted, or are expected to enact, similar laws, including the Oregon Consumer Privacy Law which took effect on July 1, 2024, not all of which exempt insurance companies categorically. Newer federal regulations requiring additional transparency could also materially impact our operations. These regulations include federal regulation on data interoperability requiring member data to be made available to third parties unaffiliated with Oscar, as well as federal regulations requiring hospitals and insurers to publish negotiated prices for services as well as the most accurate out-of-pocket cost estimate possible based on an individual's health plan for procedures, drugs, durable medical equipment, and other items or services.

In addition, certain of our businesses are also subject to the Payment Card Industry Data Security Standard ("PCI-DSS"), which is a multifaceted security standard that is designed to protect credit card account data as mandated by PCI entities. We rely on vendors to assist us with PCI-DSS matters and to maintain PCI-DSS compliance. Our business and operations are also subject to federal, state, and local consumer protection laws governing the use of email and telephone marketing.

Fraud, Waste and Abuse Laws and the False Claims Act

Because we receive payments from federal governmental agencies, we may be subject to various laws commonly referred to as "fraud, waste, and abuse" laws, including the federal Anti-Kickback Statute, the Physician Self-Referral Law ("Stark Law"), and the FCA. These laws permit the Department of Justice ("DOJ"), the 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, civil, or administrative fines, penalties, and assessments. 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 if, among other things, 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. Companies who receive funds from federal and state governmental agencies are required to maintain compliance programs to detect and deter fraud, waste, and abuse. Although our compliance program is designed to meet all statutory and regulatory requirements, our policies and procedures are frequently under review and subject to updates, and our training and education programs continue to evolve.

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 particular, there has recently been increased scrutiny by the DOJ on health plans' diagnosis coding and risk adjustment practices, particularly for Medicare Advantage plans, which we offered until the plan year 2024. The regulations, contractual requirements, and policies applicable to participants in government healthcare programs are complex and subject to change. 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.

In addition to the FCA, under the federal Civil Monetary Penalties Law, the HHS-OIG has the authority to impose civil penalties against any person who, among other things, knowingly presents, or causes to be presented, certain false or otherwise improper claims. There also is FCA liability for knowingly or improperly avoiding repayment of an overpayment received from the government and/or failing to promptly report and return such overpayment. Qui tam actions can be brought by private individuals (for example, a "whistleblower," such as a disgruntled current or former competitor, member, or employee) on behalf of the government alleging that a company has defrauded the government, and the FCA permits the private individual to share in any settlement of, or judgment entered in, the lawsuit. Qui tam actions have increased significantly in recent years, causing greater numbers of healthcare companies to have to defend a false claim action, pay substantial settlement amounts, and/or enter into a CIA and/or other heightened monitoring arrangements to avoid exclusion from government healthcare programs as a result of an investigation arising out of such action. See "Risk Factors—Risks Related to the Regulatory Framework that Governs Us—We are subject to extensive fraud, waste, and abuse laws that may require us to take remedial measures or give rise to lawsuits 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."

Further, analogous state laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, may be broader in scope than their federal equivalents; state insurance laws require insurance companies to comply with state regulations.

Guaranty Fund Assessments

Under certain state insolvency or guaranty association laws, insurance companies and HMOs can be assessed for amounts paid by guaranty funds for policyholder losses incurred when an insurance company or HMO becomes insolvent. Most state insolvency or guaranty association laws currently provide for assessments based upon the amount of premiums received on insurance underwritten within such state (with a minimum amount payable even if no premium is received). Under many of these guaranty association laws, assessments are made or adjusted retrospectively. Some states permit insurers or HMOs to recover assessments paid through full or partial premium tax offsets, or through future policyholder surcharges. The amount and timing of any future assessments cannot be predicted with certainty; however, future assessments may occur.

Corporate Practice of Medicine and Fee-Splitting Laws

Oscar Medical Group, which consists of four physician-owned professional corporations, functions as a direct medical service provider and, as such, our arrangements with Oscar Medical Group are subject to additional laws and regulations. Some states have corporate practice of medicine laws prohibiting specific types of entities from practicing medicine or employing physicians to practice medicine. Moreover, some states prohibit certain entities from engaging in fee-splitting practices which involve sharing in the fees or revenues of a professional practice. These prohibitions may be statutory or regulatory, or may be imposed through judicial or regulatory interpretation. The laws, regulations and interpretations in certain states have been subject to limited judicial and regulatory interpretation and are subject to change. See "Risk Factors—Risks Related to Our Business—We make virtual healthcare 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."

AVAILABLE INFORMATION

Our website is www.hioscar.com. Through the "Investor Relations" section of our website (ir.hioscar.com), we make available free of charge a variety of information for investors, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, as soon as reasonably practicable after we electronically file that material with or furnish it to the Securities and Exchange Commission ("SEC").

We announce material information to the public about us, our products and services, and other matters through a variety of means, including filings with the SEC, press releases, public conference calls, webcasts and the investor relations section of our website in order to achieve broad, non-exclusionary distribution of information to the public and for complying with our disclosure obligation under Regulation FD.

The information disclosed by the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels.

Any updates to the list of disclosure channels through which we will announce information will be posted on the “Investor Relations” section of our website. Except as specifically indicated otherwise, the information found or available by hyperlink on our website or any other outlets we identify from time to time is not and shall not be deemed to be part of this or any other report we file with, or furnish to, the SEC.

Item 1A. Risk Factors

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 Financial 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 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, introducing new health plans in the markets in which we currently operate, or entering into new lines of business. As 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 an adequate 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.

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, such as when we paused offering products in the California individual market for plan year 2024, our exit from the Medicare Advantage market for plan year 2024, and our exit from the small group market, including non-renewal of our Cigna + Oscar relationship, effective at the end of 2024. 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. For example, we are working with a variety of ICHRA platforms to transition small, mid-sized and large employers to the individual market where their employees can choose an Oscar product that meets their individual needs. 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. 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. In the past, we have faced issues performing on our +Oscar commitments and may in the future face similar issues with respect to our +Oscar or other commitments. 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 healthcare 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, or maintain adequate networks that comply with regulatory requirements and standards;
- insurance brokers that we rely on to build our member base are unable to market our insurance products effectively;

- we fail to attract brokers to sell our insurance products or lose important broker relationships to our competitors or otherwise, including in circumstances where we require brokers to use different enrollment services vendors;
- the enhanced APTCs under the ARPA are eliminated or reduced, or other APTCs or subsidies under the ACA are eliminated or reduced;
- our competitors or new market entrants successfully mimic our innovative product offerings or our full stack technology platform;
- 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 differentiated and competitive products, including as a result of new or revised regulations, such as the NBPP;
- initiatives designed to improve member and provider experience, including the use of AI Technologies or other new technologies, 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 market to a greater extent than they have previously;
- there is an initiation of new SEPs or other unexpected healthcare market developments, including in response to legislative, regulatory or political developments and executive orders;
- 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;
- regulatory actions to improve the integrity in the ACA eligibility and enrollment process, such as the measures enacted by the CMS in 2024, make it more difficult for members to enroll in new plans or switch from one plan to another or otherwise retroactively remove members from ACA plans;
- 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;
- our strategic partners terminate or fail to renew our current contracts or we fail to enter into contracts with new strategic partners; or
- our efforts to partner with ICHRA platforms to transition small, mid-sized and large employers to the individual market where their employees can choose an Oscar product are not successful, take significantly more time than expected to be successful.

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 impact 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:

- the occurrence of natural disasters, terrorism, public health emergencies, major epidemics and pandemics;
- changes in healthcare regulations and practices, including subregulatory guidance, regulations, or statutes that govern individual plans, or the Health Insurance Marketplaces;

- the impact on market morbidity of ongoing Medicaid redeterminations and the potential elimination of enhanced APTC;
- the broader competitive landscape, including new membership resulting from other health insurers exiting our markets, initiation of new SEPs and general expansion of the individual health insurance market;
- lack of credible data in new regions or with respect to new plan offerings;
- changes in the utilization of prescription drugs, medical services or other covered items or services;
- increases in the costs of healthcare facilities and services, medical devices and pharmaceuticals, including due to the introduction and adoption of new or costly medical technologies and pharmaceuticals or 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 in purchase discounts or pharmacy volume rebates received from drug manufacturers and wholesalers, or the guaranteed minimum discounts or rebates we agree to with the pharmacy benefit manager that negotiates and collects such discounts and rebates on our behalf;
- 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;
- changes or reductions of our utilization management functions such as preauthorization of services, concurrent review or requirements for physician referrals;
- continued increases in broker fees due to the proportion of broker-acquired business continuing to increase in line with the macro trend in the Health Insurance Marketplace of fewer members signing up directly on exchanges;
- provider or broker fraud

The Consolidated Appropriations Act of 2023 delinked Medicaid redeterminations from the end of the PHE for COVID-19, and Medicaid redeterminations were required to begin by April 1, 2023. Although redeterminations were expected to conclude by June 2024, CMS directed certain states to temporarily pause procedural terminations while they addressed issues in the renewal process that led to increased procedural disenrollments. CMS also announced an SEP that began March 31, 2023 and ended November 30, 2024. Data from CMS on Medicaid redeterminations showed significant increases in ACA plan enrollments among consumers in 2023 and 2024 who lost Medicaid or CHIP coverage. While CMS announced in 2024 that all unwinding-related renewals for beneficiaries enrolled in Medicaid or CHIP must be completed no later than December 31, 2025, our understanding is that the majority of states have now substantially completed their unwinding processes. We anticipate that any future impact on our membership in connection with ACA enrollments due to the unwinding of the Medicaid continuous enrollment condition will not be as significant as the membership growth we experienced in plan year 2024. However, we cannot predict ACA plan enrollment patterns and the potential impact of recent and future enrollments on market morbidity, and the related impact on our underwriting margin, risk adjustment payables and MLR is therefore 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. 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 maintain profitability in the future.

For the year ended December 31, 2024 we had consolidated net income of $26.1 million and consolidated Adjusted EBITDA of $199.2 million, which was the first time since our inception in 2012 that we achieved profitability on either a consolidated net income or Adjusted EBITDA basis. As of December 31, 2024, we had an accumulated deficit of $2,851.3 million. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Results of Operations-Adjusted EBITDA” for a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable GAAP measure.”

While we achieved profitability on a consolidated Adjusted EBITDA and net income basis in 2024, we may not be able to continue to do so in the future. In addition, we may make additional investments to further market, develop, and expand our business. These include 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; investing in partnerships, collaborations and acquisitions; expanding into additional business lines, such as ICHRA; and expanding our +Oscar platform offerings. The commissions we offer to brokers could also continue to materially increase 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 continuing to increase our revenue or managing our medical or administrative costs on the timeline that we expect. 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 new lines of business, enter into +Oscar platform arrangements and grow our revenues. Accordingly, despite our best efforts to do so, we may not maintain profitability, and we may incur further significant losses in the future.

Any changes to the ACA and its regulations could materially and adversely affect our business, results of operations, and financial condition.

For each of the years ended December 31, 2024 and 2023, approximately 97% 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 ARPA increased the size of APTCs for individuals at every household income level for 2021 and 2022, and the Inflation Reduction Act of 2022 renewed the enhanced APTCs for three years through the end of 2025. During the years ended December 31, 2024, and 2023, approximately 92%, and 85%, respectively, of the direct policy premiums of our members were subsidized by APTCs, including enhanced APTCs under the ARPA. Although the enhanced APTCs have been extended through 2025, the future elimination or reduction of the enhanced APTCs, or other APTCs or 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 result in unanticipated changes in the composition and risk level of the Health Insurance Marketplace risk pool, which could negatively impact our underwriting margins.

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. The new presidential administration could bring 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 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 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. For example, we are required to monitor our network of contracted providers to ensure we meet specific state and/or federal quality, credentialing, availability, and accessibility requirements on an ongoing basis. If we fail to effectively comply with regulatory requirements, or fail to implement or appropriately adjust our operational and strategic initiatives with respect to the implementation of healthcare reform, or do not do so as effectively as our competitors, our results of operations may be materially and adversely affected.

Healthcare 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 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 was 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. 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 healthcare 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.

Changes to government policies (including those 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 laws, regulations and standards relating to the handling of information about individuals 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; additionally, compliance with these laws, regulations, and 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, regulations, rules, and industry standards and other requirements including those that apply generally to the handling of information about individuals, and those that are specific to certain industries, sectors, contexts, or locations. These laws and regulations include, among others, HIPAA, CCPA and 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 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 effective on January 1, 2023, and it imposed additional obligations on companies covered by the legislation and significantly modified the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also created a new state agency that is vested with the authority to implement and enforce the CCPA and the CPRA. Compliance with the CCPA and the CPRA may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses and may 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 states have 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 PSI-DSS, which is a multifaceted security standard that is designed to protect credit card account data as mandated by PCI-DSS 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 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 any of these events were to occur, our reputation, 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 Stark Law, and the FCA. These laws permit the DOJ, the 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 plans to validate diagnostic data, patient claims and financial reporting, and we may be subject to ongoing RADV audits 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 final rule issued by CMS in January 2023, overpayments to MA plans that are identified as a result of RADV audit will be subject to extrapolation for plan year 2018 and any subsequent plan year. On November 14, 2024, CMS initiated the payment year 2018 MA RADV audits and expects to begin issuing payment year 2018 audit findings in mid-calendar year 2026. 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 healthcare 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 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 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 healthcare providers, such that we can provide our members with access to competitive provider networks at affordable prices. Our arrangements with healthcare providers generally may be terminated or not renewed by either party without cause upon prior written notice. If a provider agreement were terminated, or if we're not able to negotiate agreements with providers, the breadth of our network to service our members could be adversely impacted, 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. Healthcare 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 healthcare 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 healthcare 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 healthcare 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 value-based care 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 healthcare 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 healthcare 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. 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, 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 healthcare 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, substantially 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 healthcare 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 University of Miami Hospital & Medical Group accounted for a total of approximately 10%, 8% and 7%, respectively, of total allowable medical costs for the year ended December 31, 2024. Advent Health, HCA Healthcare, and University of Miami Hospital & Medical Group accounted for approximately 13%, 10% and 8%, respectively, of total allowable medical costs for the year ended December 31, 2023. 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 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 and small group markets we serve, and the Medicare Advantage markets we formerly 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.

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 our subsidiaries have become profitable, or as some become profitable in the future, or if our current levels of reserves and capital are in 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, 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 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.

We utilize quota share reinsurance to meet the regulatory 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 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 healthcare 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 or a decrease in funds available for distributions and dividends from our health insurance subsidiaries to Parent.

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 $553.8 million of additional capital as of December 31, 2024, 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 generally accepted accounting principles in the United States ("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, 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. While we have extended the maturity date of our Revolving Credit Facility (as defined below) to December 28, 2025, our ability 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. Restrictions imposed by our Revolving Credit Facility and the Investment Agreement we entered into in connection with our convertible senior notes due 2031 (the "2031 Notes") also contain covenants that restrict our ability to incur indebtedness. 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. 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. The occurrence of any of these 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 healthcare 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 help us administer our products and plans, as well as vendors who provide services to help with our internal administrative functions. For example, Oscar delegates pharmacy claims and network management to a pharmacy benefit manager, CVS/Caremark. CVS/Caremark negotiates with drug manufacturers, wholesalers and pharmacies the prices for pharmaceuticals used by our members, including related purchase discounts and volume rebates, and directly makes payments for the pharmaceuticals and collects related rebates on our behalf. We in turn negotiate amounts we pay directly to CVS/Caremark for the pharmaceuticals, as well as minimum guaranteed rebates that CVS/Caremark pays directly to us. We also contract with Optum to provide us with access to its network of behavioral health providers and manage behavioral health benefits for us. We cannot provide any assurance that vendors with whom we contract will honor the terms of their agreements with us or perform their contractual obligations to our satisfaction or that we will be able to renew our existing contracts or enter into new contracts on a timely basis or under favorable terms, any of which could negatively impact our ability to service our members profitably in the future. In addition, 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, 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. For example, one of our vendors in the past experienced a data security incident which required us to devote significant time and resources towards assessing the impact on our operations and member data and to secure alternative vendor relationships, even though the incident was ultimately determined to not directly result in a breach of our members' data. 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 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 to pay for or authorize payment for healthcare, 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, audits related to our compliance with network adequacy requirements, 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 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 the Company.

If we or our partners or other third parties with whom we collaborate fail to protect confidential information and/or sustain a data security incident, we could suffer increased costs, material financial penalties, exposure to significant liability, adverse regulatory consequences, and reputational harm, 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 others, 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").

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 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 are subject to a growing number of risks from 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 IT Systems and misappropriate our Confidential Information or that of third parties, create system disruptions, or cause damage, security issues, or shutdowns. These threats are from diverse threat actors, such as state-sponsored organizations, opportunistic hackers and 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 vulnerabilities in commercial software that is integrated into our (or our suppliers' or service providers') IT Systems, products or services. Because the techniques used to circumvent, gain access to, or sabotage IT 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, detect, remediate, recover from future attacks or incidents, resulting in a material and adverse impact to our IT 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, 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 IT Systems or Confidential Information by employees, vendors, counterparties, or other third parties. Our IT 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, and our Confidential Information. 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 Information. 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 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, 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 Confidential Information, including PHI subject to HIPAA and other federal and state laws and regulations, relating to our business and third parties, including our members, providers, and vendors. Any compromise or perceived compromise of the security of our IT 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 actions, fines and penalties, and lawsuits (such as class actions). Any or all of the foregoing 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 also cannot guarantee that applicable insurance will be available to us in the future on economically reasonable terms or at all.

Additionally, as we accept debit and credit cards for payment, we are subject to the PCI-DSS, issued by the Payment Card Industry Security Standards Council. PCI-DSS contains compliance guidelines with regard to our security surrounding the physical and electronic storage, processing and transmission of cardholder data. If we or our service providers are unable to comply with the security standards established by banks and the payment card industry, we may be subject to fines, restrictions and expulsion from card acceptance programs, which could materially and adversely affect our business.

We rely on the experience and expertise of our Chief Executive Officer, 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 Mark T. Bertolini, our Chief Executive Officer and a member of our board of directors, Mario Schlosser, our Co-Founder, 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 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 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 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, 2024, 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 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. 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 regulatory action, each of which could have a material adverse impact on our financial condition, results of operations, and growth prospects.

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 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.

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 include a virulent flu season or epidemic, 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, 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 other weapons of mass destruction. All of 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-scale natural disaster, a significant terrorist attack, or some other large-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, financial condition, cash flows, 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 global economic impact. While the potential economic impact and the duration of any public health crisis may be difficult to assess or predict, such 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 and state income tax purposes, which could adversely affect our cash flows.

As of December 31, 2024, we had federal income tax NOLs of $2.2 billion and state NOLs of $1.3 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 federal NOLs, approximately $1.2 billion of losses will expire between 2035 and 2043, and $907.8 million of losses can be carried forward indefinitely. State NOLs begin to expire in 2036.

We may be unable to use our NOLs, as we do not have a history of positive earnings. In addition, under Section 382 of the Code, if a corporation undergoes an "ownership change" (generally defined as a greater than 50% change, by value, in the corporation's equity ownership by certain shareholders or 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 as a result of subsequent shifts in our stock ownership, which may be outside of our control. Another ownership change could limit, our ability to utilize our NOLs existing at the time of the ownership change. 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 our business at current scale. Due to 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, our efforts to partner with ICHRA platforms to transition small, mid- and large-sized employers to the individual market where their employees can choose an Oscar product may not be successful, take significantly more time than expected to be successful and/or incur significant or unexpected expense. Furthermore, we are a relatively new entrant in the third party services market and in the past have experienced challenges in developing this area of our business. We are unable to predict if we will always be able to effectively and consistently service our current +Oscar arrangements and any future +Oscar arrangements, which risk may increase over time as we enter into more material +Oscar arrangements. We cannot provide any assurance that the data we collect will provide useful measures for evaluating our business model. Moreover, 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 New York Stock Exchange (“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.

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 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 Financial 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 material weakness was remediated in 2023, we can give no assurance that additional material weaknesses will not be identified in the future. If we cannot remediate future material weaknesses or significant deficiencies in a timely manner, or if we identify additional control deficiencies that individually or together constitute significant deficiencies or material weaknesses, our ability to accurately record, process, and report financial information and our ability to prepare financial statements within required time periods, could be adversely affected.

Additionally, ineffective internal control over financial reporting could expose us to an increased risk of financial reporting fraud and misappropriation of assets and subject us to potential delisting from the NYSE or to other regulatory investigations and civil or criminal sanctions.

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 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 are still in effect, if similar measures were to be reintroduced and to remain in place for an extended period due to unanticipated public health or economic crises, our receipt of premiums, if any, could be significantly delayed, which could have a material adverse effect on our business, operations, cash flows, or earnings.

Payments from government payors may be delayed in the future, which, if extended for any significant period of time, could have a material adverse effect on our results of operations, 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 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 healthcare 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. 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.

Our wholly owned subsidiary, Oscar Management Corporation, has management services agreements with four physician-owned professional corporations, known collectively as the Oscar Medical Group. We consolidate the professional corporations into our financial results because under applicable rules we have determined that we have a controlling financial interest in these corporations. However, 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 an employee of 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 healthcare providers, developing operating policies and procedures, and implementing professional standards and controls. 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 of medicine and fee-splitting prohibitions may impose penalties on healthcare professionals for aiding in the improper rendering of professional services.

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 healthcare services to our members and could harm our business.

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, and proprietary rights (such as source code, information, data, processes, and other forms of information, know-how, and technology). We primarily rely on copyright, trademark, and trade secret laws, as well as confidentiality procedures and contractual arrangements to establish and protect our intellectual property. However, there are steps that we have not yet taken to protect our intellectual property. 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.

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 that they 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 or the technology or services that are based upon or covered by 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 registered our trademark, but to date we have not filed applications to protect our innovations and intellectual property. If in the future we decide to file applications to protect our innovations and intellectual property, we do not know whether they would result in the issuance of a patent, or effective copyrights, in our content and proprietary coding, as applicable, or whether the examination process will require us to narrow any proposed patent 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. 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 continue not to choose to seek patent protection. Any failure to adequately obtain patent protection, or other intellectual property protection, could later prove to adversely impact our business.

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. 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 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 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 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 AI Technologies to drive efficiencies in our business, including by deploying use cases that are designed to streamline administrative processes, improve the experience for our members and providers and enhance our decision making capabilities. We are making, and plan to make in the future, investments in adopting AI Technologies across our business and across our technology stack. As with many technological innovations, there are significant risks involved in developing, maintaining and deploying AI Technologies and there can be no assurance that our usage of, or investments in, AI Technologies will always enhance our products or services or be beneficial to our business, including our efficiency or profitability.

If the AI Technologies we use are incorrectly designed, if the data sets or models upon which they are based have errors or if we fail to develop and maintain adequate safeguards, 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. In addition, the regulatory framework for AI Technologies is rapidly evolving and we cannot yet determine the impact future laws, regulations, standards, or market perception of their requirements may have on our business and may not always be able to anticipate how to respond to these laws or regulations. New regulations and changes to existing regulations, and their interpretation and implementation, could impede our use of AI Technologies by limiting the way we use, or requiring us to change the way we use, AI Technologies and/or creating additional costs associated with compliance.

Our ability to continue to leverage AI Technologies is dependent on access to specific third-party software and infrastructure provided by a handful of vendors with the leading AI Technologies. We cannot control the availability or pricing of third-party software and infrastructure, and if the models we currently use in connection with AI Technologies become incompatible with our applications or unavailable for use, or if the providers of such models unfavorably changes the terms on which their AI Technologies are offered or terminates their relationship with us, we could be required to expend time and resources to either find a replacement vendor and/or to mitigate the impact to our business, and our business could be harmed.

Increasing scrutiny and changing expectations with respect to sustainability and 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, clients, competitors and other stakeholders on sustainability or 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, customers, investors or other stakeholders 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, customers' willingness to do business with us, and investment decisions. At the same time, various stakeholders may have divergent views on ESG practices and the speed of their adoption. 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 and sustainability. For example, we operate in various jurisdictions in the U.S. that have adopted or proposed federal and state laws related to sustainability and climate change reporting to which we could eventually become subject. We are currently assessing the potential impacts of the adopted or proposed laws, as well as other sustainability and climate-related disclosure obligations and evolving legal and regulatory requirements, to which we may be subject. Further, enhanced sustainability and climate-related disclosure requirements could lead to reputational or other harm to our relationships with regulators, employees, customers, investors or other stakeholders.

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 the 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 $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 $50 million less than the aggregate commitments under the Revolving Credit Facility as of the last day of each quarter, 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 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, 2024, we had outstanding indebtedness due to our issuance in February 2022 of $305.0 million in aggregate principal amount of our 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, which amounts could be material.

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 purchasers 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, or the Initial Purchasers of the 2031 Notes, elect to settle conversions solely in shares of our Class A 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, 2024, the holders of our outstanding Class B common stock, which consist of Thrive Capital and our Co-Founders, beneficially own 19.7% of our outstanding capital stock and hold 79.9% 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, 2024). Thrive Capital and Joshua Kushner (as the sole managing member of the Thrive General Partners), in particular, beneficially own 17.0% of our outstanding capital stock and hold 71.8% of the voting power of our outstanding capital stock as of December 31, 2024. 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 our other stockholders may feel is in their best interest. This control may also adversely affect the market price of our Class A common stock.

Because Thrive Capital 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. Certain index providers have implemented, and may in the future determine to implement, restrictions on including companies with multiple share class structures in certain of their indices. For example, from July 2017 to April 2023, S&P Dow Jones excluded companies with multiple share classes from the S&P Composite 1500. If we are ineligible for inclusion in certain indices 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 are a "controlled company" within the meaning of the rules of NYSE and, as a result, we may rely on exemptions from certain corporate governance requirements and, if we chose to do so, you will not have the same protections afforded to stockholders of companies that are not exempt from such requirements.

We are a "controlled company" within the meaning of the corporate governance standards of the 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 any of the NYSE controlled company exemptions. However, as long as we remain a "controlled company," we may elect in the future to take advantage of any of these exemptions and if we choose to do so 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 (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. In addition, upon conversion of the 2031 Notes, we may elect to settle conversions entirely in shares of our Class A common stock. Moreover, pursuant to the terms of the Investment Agreement governing the 2031 Notes, the Initial Purchasers of the 2031 Notes have the right to require us to settle conversions entirely in shares of our Class A common stock. 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.

Anti-takeover provisions in our governing documents and under Delaware law could make an acquisition of the 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 (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.

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.

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.

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 have historically provided public guidance on our expected operating and financial results for future periods, and may continue to do so in the future. Such guidance consists 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.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information, including protected health information and the systems that store and transmit such data. Our cybersecurity risk management program includes a cybersecurity incident response plan.

We use the ISO 27001 standard as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business. This does not imply that we meet any particular technical standards, specifications or requirements.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;

- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls, and conduct tabletop exercises to validate our cybersecurity incident response processes;
- the use of various technology and process-based methods, such as network isolation, intrusion detection systems, vulnerability assessments, penetration testing, use of threat intelligence, content filtering, endpoint security (including anti-malware and detection response capabilities), email security mechanisms, and access control mechanisms;
- cybersecurity awareness training of our employees, including incident response personnel and senior management;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a third-party risk management and diligence process for vendors and service providers.

While we have implemented processes to maintain our cybersecurity risk management program, there can be no assurance that our program, including our controls, procedures and processes, will be fully complied with or that it will be fully effective in protecting the confidentiality, integrity and availability of our critical systems and information.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See Part I, Item 1A "Risk Factors—Risks Related to our Business—If we or our partners or other third parties with whom we collaborate fail to protect confidential information and/or sustain a data security incident, we could suffer increased costs, material financial penalties, exposure to significant liability, adverse regulatory consequences, and reputational harm, which would materially adversely affect our business, results of operations, and financial condition."

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee (Committee) oversight of cybersecurity risks. The Committee oversees management of our cybersecurity risks, including reviewing and discussing with management our major cybersecurity risk exposures and the steps management has taken to monitor and control such exposures.

Management provides quarterly reports on our cybersecurity risks to the Committee. In addition, management updates the Committee, as necessary, regarding any material cybersecurity incidents. The Committee reports to the full Board regarding its activities, including those related to cybersecurity. Our management team, including our Chief Technology Officer and Chief Information Security Officer (CISO), is responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. Our Chief Technology Officer, the Company's co-founder and former CEO, has extensive experience in computer science and technology, including as a visiting scholar at Stanford University. This experience has enhanced his expertise in cybersecurity governance and risk management. Our CISO is a Certified Information Systems Security Professional and his experience includes over 20 years of working in the cybersecurity field in various industries, including data analytics, identity verification software, and financial services industries, and 15 years leading teams and programs.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from the Health Information Sharing and Analysis Center and other governmental, public or private sources; and alerts and reports produced by security tools deployed in the IT environment.

Item 2. Properties

We lease our corporate headquarters located in New York, New York. We lease additional office space in Tempe, Arizona and Los Angeles, California. We believe that our properties are adequate and suitable for our business as presently conducted.

Item 3. Legal Proceedings

The information required under this Part I, Item 3 is set forth in Note 19 - Commitments and Contingencies to our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

Given that such proceedings are subject to uncertainty, there can be no assurance that such legal proceedings, either individually or in the aggregate, will not have a material adverse effect on our business, results of operations, financial condition or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Class A common stock trades on the New York Stock Exchange under the symbol "OSCR." There is no established public trading market for our Class B common stock.

Holders

As of January 31, 2025, there were 16 holders of record of our Class A common stock and 11 holders of record of our Class B common stock.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings to fund the growth of our business and do not anticipate paying any dividends in the foreseeable future. We are regulated under state insurance holding company laws and our subsidiaries are subject to stringent regulations, including mandatory statutory capital and surplus requirements, that may restrict our or our subsidiaries' ability to declare dividends or limit the amount of dividends and distributions that can be paid without approval of, or notification to, state regulators. In addition, the terms of our Revolving Credit Facility, and other indebtedness we may enter into from time to time, restricts our ability and that of our subsidiaries' to, among other things, pay dividends or make other distributions on equity interests. Any decision to declare dividends in the future will be made at the discretion of our board of directors and will depend on a number of factors, including our business prospects, financial condition, regulatory and contractual restrictions, capital and surplus requirements, general business conditions, and other factors that our board of directors may deem relevant.

Recent Sales of Unregistered Securities; Purchases of Equity Securities by the Issuer or Affiliated Purchasers

The following table sets forth purchases of shares of our Class A common stock made during the three months ended December 31, 2024 by or on behalf of the Company or an "affiliated purchaser" as defined in Rule 10b-18(a)(3) under the Exchange Act.

Period	Total Number of Class A Shares Purchased	Average Price Paid per Class A Share(1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)
11/1/24 to 11/30/24	2,521,728(1)	$14.40 per share	—	—

(1) Includes (i) 1,588,395 shares purchased in open market transactions by funds affiliated with Thrive Capital. Joshua Kushner, the Vice Chairman of our board of directors, is the sole managing member of each of the General Partners of the Thrive Capital affiliated funds and (ii) 933,333 shares purchased in open market transactions by the Anahata Foundation, a charitable foundation established by Mark T. Bertolini, our Chief Executive Officer. Each of the Thrive Capital affiliated funds and the Anahata Foundation may be deemed to be an "affiliated purchaser" as defined in Rule 10b-18(a)(3) under the Exchange Act.

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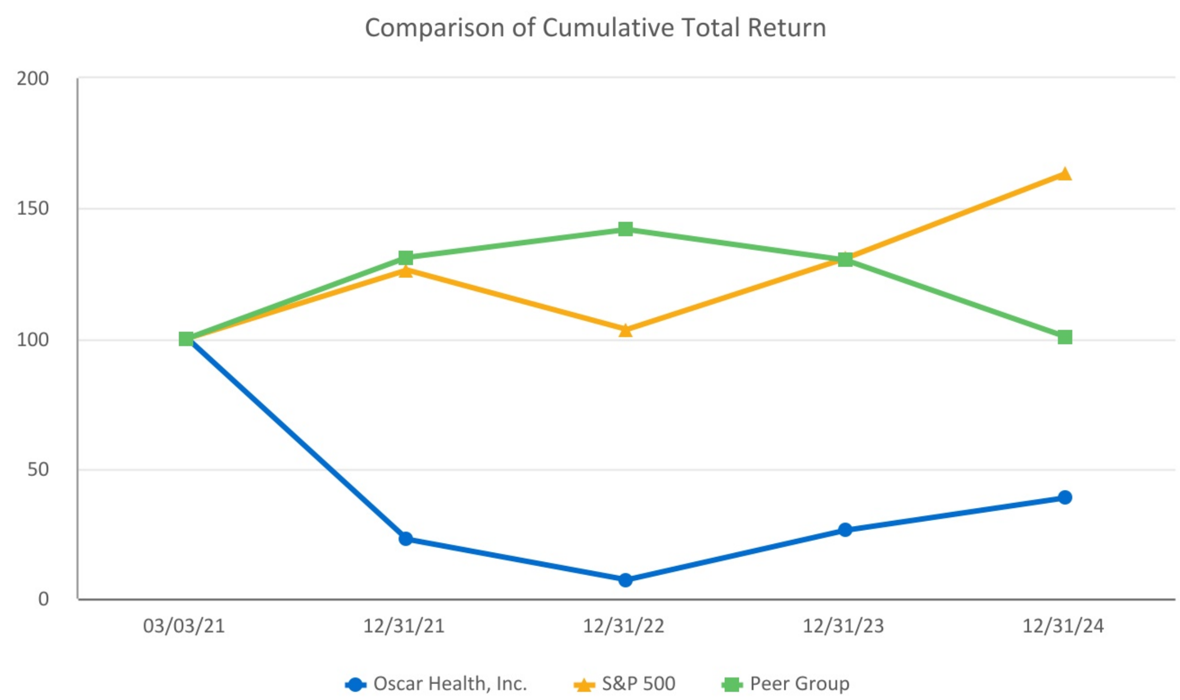
Performance Graph

The following graph illustrates the cumulative total shareholder return on our Class A common stock from March 3, 2021, the first day the Company's stock was publicly traded, through December 31, 2024, relative to the performance of the S&P 500 Index and a group of eleven peers selected by the Company. The peer group is composed of Centene Corporation, Molina Healthcare, Inc., CVS Health Corporation, Cigna Group, Elevance Health, Inc., Agilon Health Inc., Alignment Healthcare, Inc., Evolent Health, Inc., Privia Health Group, Inc., Teladoc Health, Inc., and Accolade, Inc. The Peer Group was chosen based on (i) industry, including managed care and healthcare technology companies, with emphasis on direct competitors and close industry peers, (ii) revenue, and (iii) market capitalization. The graph assumes that $100 was invested on March 3, 2021 in each of our Class A common stock, the S&P 500 Index, the peer group, and that any dividends were reinvested. The comparisons reflected in the graph are not intended to forecast or otherwise be indicative of the future performance of our stock. The performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of the Company's filings under the Securities Act.



Company/Index	03/03/21	12/31/21	12/31/22	12/31/23	12/31/24
Oscar Health, Inc.	$ 100.00	$ 22.56	$ 7.07	$ 26.29	$ 38.62
S&P 500	$ 100.00	$ 126.22	$ 103.34	$ 130.48	$ 163.09
Peer Group	$ 100.00	$ 131.10	$ 141.76	$ 129.93	$ 100.48

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations as of December 31, 2024 and 2023 should be read in conjunction with our audited Consolidated Financial Statements and the related notes included elsewhere in this filing. The discussion contains forward-looking statements that involve known and unknown risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under Part I, Item 1A."Risk Factors" of this Annual Report on Form 10-K. The following discussion and analysis does not include certain items related to the year ended December 31, 2023, including year-to-year comparisons between the year ended December 31, 2023 and the year ended December 31, 2022. For a comparison of our results of operations for the fiscal years ended December 31, 2023 and December 31, 2022, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 15, 2024.

INDEX TO MD&A

Management's discussion and analysis of financial condition and results of operations is comprised of the following sections:

Overview

Oscar is a leading healthcare technology company built around a full stack technology platform and a relentless focus on member experience. We have been challenging the status quo in the healthcare system since our founding in 2012, and are dedicated to making a healthier life accessible and affordable for all. Oscar serves individuals, families, and employees through the ACA and offers health technology solutions that power the healthcare industry through +Oscar. Our technology drives superior experiences, deep engagement, and high-value clinical care, earning us the trust of approximately 1.68 million effectuated members, as of December 31, 2024.

We regularly review our Total Revenue, MLR, Selling, General and Administrative Expense Ratio ("SG&A Expense Ratio"), Net Income (loss) attributable to Oscar Health Inc., and Adjusted EBITDA, a non-GAAP financial metric, to evaluate our business, measure our performance, identify trends in our business, prepare financial projections, and make strategic decisions. We believe these operational and financial measures are useful in evaluating our performance, in addition to our financial results prepared in accordance with GAAP.

Total Revenue

Total revenue includes Premium revenue, Investment income, and Services and other revenue. We believe Total revenue is an important metric to assess the growth of our business, as well as the earnings potential of our investment portfolio.

MLR

MLR is a metric used to calculate medical expenses as a percentage of net premiums before ceded quota share reinsurance. The impact of the federal risk adjustment program is included in the denominator of our MLR. We believe MLR is an important metric to demonstrate the ratio of our costs to pay for healthcare of our members to the net premium before ceded quota share reinsurance. MLR in our existing products are subject to various federal and state minimum requirements.

SG&A Expense Ratio

The SG&A Expense Ratio reflects the Company's Selling, general and administrative expenses, as a percentage of Total revenue. We believe the SG&A Expense Ratio is useful to evaluate our ability to manage our overall selling, general, and administrative cost base.

Net Income (loss) attributable to Oscar Health, Inc.

Net earnings (loss) allocated to the Company after income (loss) attributable to noncontrolling interests. It is a key indicator of the Company's profitability and operational efficiency, allowing management to evaluate performance and make informed decisions on strategic planning, cost management, and resource allocation.

Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization ("Adjusted EBITDA")

Adjusted EBITDA is defined as Net income (loss) for the Company and its consolidated subsidiaries before interest expense, income tax expense (benefit), and depreciation and amortization, as further adjusted for stock-based compensation and other items that are considered unusual or not representative of underlying trends of our business, where applicable for the period presented. We present Adjusted EBITDA because we consider it to be an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Adjusted EBITDA is a non-GAAP measure. Management believes that investors' understanding of our performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing our ongoing results of operations.

We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by our competitors, because not all companies and analysts calculate Adjusted EBITDA in the same manner.

Management uses Adjusted EBITDA:
- as a measurement of operating performance because it assists us in comparing the operating performance of our business on a consistent basis, as it removes the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budget and financial projections;
- to evaluate the performance and effectiveness of our operational strategies; and
- to evaluate our capacity to expand our business.

By providing this non-GAAP financial measure, together with a reconciliation to the most comparable U.S. GAAP measure, Net income (loss), we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. Adjusted EBITDA has limitations as an analytical tool, and should not be considered in isolation, or as an alternative to, or a substitute for Net income (loss) or other financial statement data presented in our Consolidated Financial Statements as indicators of financial performance. A reconciliation of Adjusted EBITDA from Net income (loss) is provided under "Results of Operations-Adjusted EBITDA".

Recent Developments, Trends and Other Key Factors Impacting Performance

Regulatory Update

Our operations are subject to comprehensive and detailed federal, state, and local laws and regulations throughout the jurisdictions in which we do business. Developments related to the regulatory regimes in which we operate have in the past impacted, and are expected to continue to impact, our results of operations. During the periods presented in the financial statements contained elsewhere in this Annual Report on Form 10-K, certain regulatory developments have impacted, and may continue to impact, our results of operations.

- Enhanced APTC's that have been in place since 2021 have contributed to increases in our membership. These enhanced APTCs are set to expire at the end of 2025 and if they are not renewed it could make coverage unaffordable to some individuals and thereby reduce overall participation in the Health Insurance Marketplaces and our membership. Such market dynamics may also impact market morbidity and our MLR. For additional details, see "Business–Government Regulation–Ongoing Requirements and Changes to the ACA" and "Risk Factors–Most

Material Risks to Us–Any changes to the ACA and its regulations could materially and adversely affect our business, results of operations, and financial condition."

- The Consolidated Appropriations Act of 2023 delinked the Medicaid continuous coverage from the end of the PHE for COVID-19, and Medicaid redeterminations began on April 1, 2023 and CMS announced an SEP that began March 31, 2023 and ended November 30, 2024. The Medicaid redeterminations have contributed to increases in our membership. While CMS announced in 2024 that all unwinding-related renewals for beneficiaries enrolled in CHIP must be completed no later than December 31, 2025, our understanding is that the majority of states have now substantially completed their unwinding processes. We anticipate that any future impact on our membership in connection with ACA enrollments due to the unwinding of the Medicaid continuous enrollment condition will not be as significant as the membership growth we experienced in plan year 2024. For additional details, see "Business–Government Regulation–Ongoing Requirements and Changes to the ACA" and "Risk Factors–Most Material Risks to Us–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."

- The CMS has recently been increasingly focused on improving integrity in the eligibility and enrollment process, and we expect this focus to continue. During the second half of 2024 CMS enacted new measures to respond to increases in unauthorized changes in consumer enrollments by agents and brokers and to reduce consumer burdens related to unauthorized enrollments, and these measures may make it more difficult for members to enroll in new plans or switch from one plan to another or otherwise retroactively remove members from ACA plans. For example, the CMS measures may have impacted the pace of our enrollments during open enrollment for plan year 2025 and may continue to do so in future plan years. For additional details, see "Business–Government Regulation–Ongoing Requirements and Changes to the ACA" and "Risk Factors-Most Material Risks to Us-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.

Members

Our membership is measured as of a particular point in time. Membership may change due to our expansion into or exiting of certain markets, and further vary throughout the year due to disenrollments, any SEP, and other market dynamics that are in effect such as Medicaid redeterminations, enhancements, reductions or eliminations of APTCs, other legislative or regulatory actions, or other factors that enable the overall market to grow or decline throughout the year.

SEP Market Dynamics

SEP or other market dynamics that drive enrollment and/or mix changes throughout the year may impact the per member levels of premiums, claims, and/or risk adjustment transfers. During the year ended December 31, 2024, the increase in membership was due in part to an increase in member enrollments through SEP which impacted our MLR. Higher SEP growth in certain markets throughout 2024 may have contributed to the increase in our risk transfer payable for the year ended December 31, 2024. We currently anticipate lower SEP membership growth during 2025.

Risk Adjustment

The risk adjustment programs in the markets we serve are administered federally by CMS and are designed to mitigate the potential impact of adverse selection and provide stability for health insurers. Under this program, each plan is assigned a risk score based upon demographic information and current year claims information related to its members. The risk score is used to adjust plan revenue to reflect the relative risk of the plan's enrolled population. We reevaluate our risk adjustment transfer estimates as new information and market data becomes available until we receive the final reporting from CMS in later periods, up to twelve months in arrears.

Our risk transfer estimates are subject to a high degree of estimation and variability, and are affected by the relative risk of our members, and in the case of ACA, relative to that of other insurers. There is a higher degree of uncertainty associated with estimates of risk adjustment transfers at the beginning of the policy year resulting from composition of the risk score being based on concurrent claim data. There is additional uncertainty for both markets and blocks of business that experience outsized growth, compounded by the lack of credible experience data on the newly enrolling population. Furthermore, there is also uncertainty associated with changes in other carriers operations, which may impact the ultimate degree of market level risk. Actual risk adjustment calculations and transfers could materially differ from our assumptions.

Claims Incurred

Medical expense primarily consists of both paid and unpaid medical expenses incurred to provide medical services and products to our members. Medical claims include fee-for-service claims, pharmacy benefits, capitation payments to providers, provider disputed claims and various other medical-related costs. Our development of the benefits payable estimate is a continuous process we monitor and refine on a monthly basis as additional claims receipts and payment information becomes available. Our medical expenses are impacted by seasonal effects of medical costs, such as the utilization of deductibles and out-of-pocket maximums over the course of the policy year, which shift more costs to us in the second half of the year as we pay a higher proportion of covered claims costs, and the number of days and holidays in a given period. Our medical and pharmacy costs can also exhibit seasonality depending on selection effects or changes in the risk profile of our membership and the proportion of our membership that is new in the calendar year. The emergence of medical and pharmacy claims is influenced by the aforementioned drivers, and further mix shifts may continue to alter claims incurred patterns in future periods.

Seasonality

Our business is generally affected by the seasonal patterns of our member enrollment, medical expenses, and health plan mix shift and product design. SEP or other market dynamics that drive enrollment and/or mix changes throughout the year may impact the per member levels of premiums, claims, and/or risk adjustment transfers. Additionally, medical expenses have historically been highest towards the second half of the year due to a number of factors discussed above.

Reinsurance

We believe our reinsurance agreements help us achieve important goals for our business, including risk management and capital efficiency. Our reinsurance agreements are contracted under two different types of arrangements: quota share reinsurance contracts and XOL reinsurance contracts. In quota share reinsurance, the reinsurer agrees to assume a specified percentage of the ceding company’s losses in exchange for a corresponding percentage of premiums. In XOL reinsurance, the reinsurer agrees to assume all or a portion of the ceding company’s losses in excess of a specified amount. Under XOL reinsurance, the premium payable to the reinsurer is negotiated by the parties based on losses on an individual member in a given calendar year and their assessment of the amount of risk being ceded to the reinsurer. In the case of federal and state-run reinsurance programs, no reinsurance premiums are paid. The reinsurance agreements do not relieve us of our primary medical claims incurred obligations. Refer to Note 11 - Reinsurance to our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K for a description of the accounting methods used to record our quota share reinsurance arrangements.

Critical Accounting Policies and Estimates

The preparation of Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and disclosure of contingent assets and liabilities in our financial statements. We regularly assess these estimates; however, actual amounts could differ from those estimates. The most significant items involving management’s estimates include estimates of benefits payable and risk adjustment. The impact of changes in estimates is recorded in the period in which they become known.

An accounting policy is considered to be critical if the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the effect of the estimates and assumptions on financial condition, or operating performance. The accounting policies that reflect a significant level of estimation and that are most likely to have a material impact on our reported financial results are described below. Other accounting policies are disclosed in Item 8, Financial Statements and Supplementary Data in this Annual Report on Form 10-K.

Benefits Payable

Benefits payable includes estimates of the ultimate cost of claims that have been incurred but not reported, including expected development on reported claims, those that have been reported but not yet paid (reported claims in process) and other medical care expenses and services payable.

Our development of the benefits payable estimate is a continuous process which we monitor and refine on a monthly basis as additional claims receipts and payment information becomes available. As more complete claims information becomes available, we adjust the amount of the estimates and include the changes in estimates in medical costs in the period in which the changes are identified. In each reporting period, our operating results include the effects of more completely developed benefits payable estimates associated with previously reported periods. If the revised estimate of prior period healthcare claims is less than the previous estimate, we will decrease reported healthcare claims in the current period (favorable development). If the revised estimate of prior period healthcare claims is more than the previous estimate, we will increase reported healthcare costs in the current period (unfavorable development). Healthcare costs in the years ended December 31, 2024 included a favorable healthcare claim development related to prior years of $164.7 million (net of reinsurance) and an unfavorable health claim development of $19.8 million (net of reinsurance) for the year ended December 31, 2023.

In developing our benefits payable estimates, we apply different estimation methods depending on the month for which incurred claims are being estimated. For example, in recent months, we estimate claim costs incurred by applying assumed medical cost trends to the per member per month (“PMPM”) medical costs incurred in prior months for which more complete claim data is available, supplemented by a review of near-term completion factors. Additional consideration is also given to adjudicated claims that may reopen as a result of provider disputes.

Completion Factors
A completion factor is an actuarial estimate, based upon historical experience and analysis of current trends, of the percentage of incurred claims during a given period that have been adjudicated by us at the date of estimation. Completion factors are the most significant factors we use in developing our benefits payable estimates. For periods prior to the two most recent months, completion factors include judgments related to claim submissions such as the time from date of service to claim receipt, claim levels, and processing cycles, as well as other factors. If actual claims submission rates from providers (which can be influenced by a number of factors, including provider mix and electronic versus manual submissions) or our claim processing patterns are different than estimated, our reserve estimates may be significantly impacted. For the most recent two months, the completion factors are informed primarily from forecasted per member per month claims projections developed from our historical experience and adjusted by emerging experience data in the preceding months which may include adjustments for known changes in estimates of recent hospital and drug utilization data, provider contracting changes, changes in benefit levels, changes in member cost sharing, changes in medical management processes, product mix, and workday seasonality.

The following table illustrates the sensitivity of the estimated potential impact on our benefits payable estimates gross of reinsurance, for those periods as of December 31, 2024 to an increase (decrease) in the underlying completion factors:

Changes in Estimates	**Increase (Decrease) in Benefits Payable (in thousands)**
(1.00)%	$ 172,729
(0.75)%	129,221
(0.50)%	85,931
(0.25)%	42,858
0.25%	(42,644)
0.50%	(85,076)
0.75%	(126,673)
1.00%	(165,622)

Management believes the amount of benefits payable is reasonable and adequate to cover our liability for unpaid claims as of December 31, 2024; however, actual claim payments may differ from established estimates as discussed above. Assuming a hypothetical 1% difference between our December 31, 2024 estimates of benefits payable and actual benefits payable, excluding any potential offsetting impact from premium rebates, net earnings for the year ended December 31, 2024 would have increased by approximately $172.7 million or decreased by approximately $165.6 million.

For more detail related to our medical claims expenses, see Note 2 - Summary of Significant Accounting Policies to our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

Risk Adjustment

The risk adjustment programs in the individual and small group markets we serve are designed to mitigate the potential impact of adverse selection and provide stability for health insurers. Plans with lower than average risk scores will generally pay into the pool, while plans with higher than average risk scores will generally receive distributions. Plans receive higher payments for members with higher risk scores than members with lower risk scores.

The Company estimates the receivable or payable under the risk adjustment programs based on its estimated risk score compared to the state average risk score. The Company may record a receivable or payable as an adjustment to premium revenues to reflect the year-to-date impact of the risk adjustment based on its best estimate. The Company refines its estimate as new information becomes available.

Components of our Results of Operations

Premium

Premium revenue includes direct policy premiums collected from our members and subsidies received from the federal government, risk adjustment transfers, and assumed policy premiums we earned as part of our reinsurance arrangement under our Cigna+Oscar Small Group plan offering, and is net of ceded premium from XOL and run-off quota share reinsurance contracts accounted for under reinsurance accounting. The Company did not renew the Cigna+Oscar Small Group arrangement after the expiration of the initial term on December 31, 2024.

Investment Income

Investment income primarily includes investment income, interest earned, and gains (losses) on our investment portfolio.

Services and Other

Services and other revenue includes primarily revenue earned from administrative services performed as part of the +Oscar platform, as well as sublease income.

Medical

Medical expense primarily consists of both paid and unpaid medical expenses incurred to provide medical services and products to our members. Medical claims include fee-for-service claims, pharmacy benefits, capitation payments to providers, provider disputed claims and various other medical-related costs. Under fee-for-service claims arrangements with providers, we retain the financial responsibility for medical care provided and incur costs based on actual utilization of hospital and physician services. Medical claims are recognized in the period healthcare services are provided. Unpaid medical expenses include claims reported and in the process of being settled, but that have not yet been paid, as well as healthcare costs incurred but not yet reported to us, which are collectively referred to as benefits payable or claim reserves. The development of the claim reserve estimate is based on actuarial methodologies that consider underlying claim payment patterns, medical cost inflation, historical developments, such as claim inventory levels and claim receipt patterns, and other relevant factors. The methods for making such estimates and for establishing the resulting liability are continuously reviewed and any adjustments are reflected in the period determined. Medical expense also reflects the net impact of our ceded reinsurance claims from XOL and run-off quota share reinsurance contracts accounted for under reinsurance accounting.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily include distribution expenses, wages, benefits, costs of software and hardware, the impact of quota share reinsurance, stock-based compensation, and other administrative costs.

Other Expenses (Income)

Other expenses (income) consists primarily of miscellaneous expenses or income that are not core to our operations, including profit sharing arrangements with our co-branded health plans and changes in the fair value of financial instruments.

Income Tax Expense (Benefit)

Income tax expense (benefit) consists primarily of changes to our current and deferred federal and state tax assets and liabilities. Income taxes are recorded as deferred tax assets and deferred tax liabilities based on differences between the book and tax bases of assets and liabilities. Our deferred tax assets and liabilities are calculated by applying the current tax rates and laws to taxable years in which such differences are expected to reverse.

Net income (loss) attributable to noncontrolling interests

Net income (loss) attributable to noncontrolling interests represents the share of the Company’s earnings allocated to the Company’s joint venture partner.

Results of Operations

Year Ended December 31, 2024 compared to Year Ended December 31, 2023

The following table sets forth our results of operations for the periods indicated:

(in thousands, except percentages)	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenue		
Premium	$ 8,971,259	$ 5,686,069
Investment income	185,729	155,447
Services and other	20,576	21,353
Total revenue	**9,177,564**	**5,862,869**
Operating Expenses		
Medical	7,332,589	4,642,024
Selling, general, and administrative	1,755,565	1,425,766
Depreciation and amortization	32,145	30,694
Total operating expenses	9,120,299	6,098,484
Earnings (loss) from operations	**57,265**	**(235,615)**
Interest expense	23,734	24,603
Other expenses (income)	105	7,082
Earnings (loss) before income taxes	**33,426**	**(267,300)**
Income tax expense	7,305	3,294
Net income (loss)	**26,121**	**(270,594)**
Less: Net income (loss) attributable to noncontrolling interests	689	134
Net income (loss) attributable to Oscar Health, Inc.	**$ 25,432**	**$ (270,728)**
Medical Loss Ratio (MLR)	81.7 %	81.6 %
SG&A Expense Ratio	19.1 %	24.3 %
Adjusted EBITDA[(1)]	$ 199,234	$ (45,238)

(1) Adjusted EBITDA is a non-GAAP measure. See “-Adjusted EBITDA” below for a reconciliation to net income (loss), the most directly comparable GAAP measure, and "-Overview-Adjusted EBITDA" for information regarding our use of Adjusted EBITDA.

Premium

Premium revenue increased by $3,285.2 million, or 58%, for the year ended December 31, 2024, compared to the same period in 2023. The increase was primarily driven by higher membership during 2024 Open Enrollment, strong retention, and SEP member additions.

The following table summarizes the Company’s membership by offering:

Membership by Offering	As of December 31, 2024	As of December 31, 2023
Individual and Small Group	1,636,400	967,002
Medicare Advantage	—	1,781
Cigna+Oscar [(1)]	40,570	67,500
Total Members [(2)]	**1,676,970**	**1,036,283**

(1) Represents total membership for our co-branded partnership with Cigna.
(2) A member covered under more than one of our health plans counts as a single member for the purposes of this metric.

Investment Income

Investment income increased by $30.3 million, or 19% , for the year ended December 31, 2024, compared to the same period in 2023, primarily due to a larger asset base.

Medical Expenses and MLR

Medical expenses increased by $2,690.6 million, or 58%, for the year ended December 31, 2024, compared to the year ended December 31, 2023, primarily due to increased membership. MLR slightly increased for the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily driven by SEP membership growth and an increase in our risk adjustment transfer, partially offset by favorable prior period development. Membership growth during the special enrollment period resulted in upward pressure in our MLR. Further, while overall member utilization increased consistent with our pricing expectations, overall market morbidity dynamics drove an increased risk transfer payable. These factors were partially offset by favorable prior period development and affordability initiatives.

	Year Ended December 31,	
(in thousands, except percentages)	2024	2023
Medical	$ 7,332,589	$ 4,642,024
Less: Ceded quota share reinsurance claims [(1)]	(2,029)	2,057
Net claims before ceded quota share reinsurance [(A)]	**$ 7,334,618**	**$ 4,639,967**
Premium	$ 8,971,259	$ 5,686,069
Less: Ceded quota share reinsurance premiums [(2)]	(881)	(2,211)
Net premiums before ceded quota share reinsurance [(B)]	**$ 8,972,140**	**$ 5,688,280**
Medical Loss Ratio [(A divided by B)]	**81.7 %**	**81.6 %**

(1) Represents prior period development for claims ceded to reinsurers pursuant to quota share treaties accounted for under reinsurance accounting, which are in runoff

(2) Represents prior period development for premiums ceded to reinsurers pursuant to quota share treaties accounted for under reinsurance accounting, which are in runoff.

Selling, General and Administrative Expenses and SG&A Expense Ratio

Selling, general and administrative expenses increased by $329.8 million, or 23%, for the year ended December 31, 2024, compared to the year ended December 31, 2023. This increase was driven by higher distribution, taxes and fees associated with higher membership year over year, partially offset by the impact of the acceleration of stock compensation expense associated with the cancellation of the Founders Awards in the first quarter of 2023. The SG&A Expense Ratio improved 520 basis points year over year for the year ended December 31, 2024, primarily due to improved fixed cost leverage and variable cost efficiencies.

Income Tax Expense (Benefit)

Our effective tax rate for the year ended December 31, 2024 and December 31, 2023 was approximately 21.86% and (1.23)% respectively.

Net Income (loss) attributable to Oscar Health, Inc.

Net income (loss) attributable to Oscar Health, Inc. increased by $296.2 million, or 109% , for the year ended December 31, 2024, compared to the same period in 2023.

Adjusted EBITDA

The table below sets forth the reconciliation of Net income (loss) to Adjusted EBITDA (a non-GAAP measure). See "-Overview–Adjusted EBITDA" for information regarding our use of Adjusted EBITDA.

	Year Ended December 31,	
(in thousands)	**2024**	**2023**
Net Income (loss)	**$ 26,121**	**$ (270,594)**
Interest expense	23,734	24,603
Other expenses (income)	105	7,082
Income tax expense	7,305	3,294
Depreciation and amortization	32,145	30,694
Stock-based compensation [(1)]	109,824	159,683
Adjusted EBITDA	**$ 199,234**	**$ (45,238)**

(1) Represents non-cash expenses related to equity-based compensation programs, which vary from period to period depending on various factors including the timing, number, and the valuation of awards. Additionally, these expenses are reported net of any stock-based compensation that has been capitalized for software development costs. Year ended December 31, 2023 includes a non-recurring charge of $46.3 million related to accelerated stock-based compensation expense recognized as a result of the cancellation of the Founders Awards. Refer to Note 10 - Stock Based Compensation for additional information.

Liquidity and Capital Resources

Overview

We maintain liquidity at two levels of our corporate structure, through our health insurance subsidiaries (any subsidiary of Oscar Health, Inc. that has applied for or received a license, certification, or authorization to sell health plans by any state Department of Insurance, Department of Financial Services, Department of Health, or comparable regulatory authority) and through our holding company (our parent company, Oscar Health, Inc., on a standalone basis ("Parent") and subsidiaries excluding our health insurance subsidiaries).

The majority of the assets held by the holding company are in the form of cash and cash equivalents and investments. As of December 31, 2024 and December 31, 2023, total cash and cash equivalents and investments held by the holding company was $189.8 million and $234.1 million, respectively, of which $12.8 million and $12.6 million was restricted for 2024 and 2023, respectively.

The majority of the assets held by our health insurance subsidiaries are in the form of cash and cash equivalents and investments. As of December 31, 2024 and December 31, 2023, total cash and cash equivalents and investments held by our health insurance subsidiaries was $3,808.0 million and $2,721.2 million, respectively, of which $18.0 million and $17.3 million, respectively, was on deposit with regulators as required for statutory licensing purposes. These amounts are classified as restricted deposits on the Consolidated Balance Sheets.

Our health insurance subsidiaries' states of domicile have statutory minimum capital requirements that are intended to measure capital adequacy, taking into account the risk characteristics of an insurer's investments and products. The combined statutory capital and surplus of our health insurance subsidiaries was estimated to be approximately $1,242.7 million as of December 31, 2024, and it was $800.6 million as of December 31, 2023, which was in compliance with and in excess of the minimum capital requirements for each period. The health insurance subsidiaries historically have required capital contributions from Parent to maintain minimum levels. The health insurance subsidiaries in aggregate exceeded the minimum statutory RBC requirement by $301 million as of December 31, 2023 and are projected to have approximately $774 million of excess capital as of December 31, 2024. The health insurance subsidiaries may be subject to additional capital and surplus requirements in the future, as a result of factors such as increasing membership and medical costs, which may require us to incur additional indebtedness, sell capital stock, or access other sources of funding in order to fund such requirements. During periods of increased volatility, 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, and any such funding may not be available on favorable terms, or at all.

As our health insurance subsidiaries have collectively become profitable and to the extent their levels of statutory capital and surplus continue to exceed minimum regulatory requirements, we may make periodic requests for dividends and distributions from our subsidiaries to fund our operations or seek to enter into transactions or structures that enable us to efficiently deploy this excess capital, which may or may not require approval by our regulators. During the year ended December 31, 2024 and 2023, the Parent received approximately $133 million and $52 million capital distribution, respectively, from the insurance subsidiaries. For additional information see Part I, Item 1A "Risk Factors—Risks Related to our Business—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."

Our health insurance subsidiaries also utilize quota share reinsurance arrangements to reduce our minimum capital and surplus requirements, which are designed to enable us to efficiently deploy capital to fund our growth. During the years ended December 31, 2024 and 2023, the Parent made $146.6 million and $19.5 million of capital contributions, respectively, to the health insurance subsidiaries. We estimate that had we not had any quota share reinsurance arrangements in place, the health insurance subsidiaries would have been required to hold approximately $553.8 million and $447.1 million of additional capital as of December 31, 2024 and 2023, respectively, which the Parent would have been required to fund to the extent the applicable insurance subsidiary did not have excess capital to cover the requirement. For additional information on our capital contributions and reinsurance arrangements, see “Risk Factors—Risks Related to our Business—We utilize quota share reinsurance to reduce 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” and “Risk Factors—Risks Most Material 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.”

Short-Term Cash Requirements

The Company’s cash requirements within the next twelve months include benefits payable, risk adjustment transfer payable, current lease liabilities, interest payable on debt, other current liabilities and purchase commitments and other obligations. We expect the cash required to meet these obligations to be primarily funded by cash available for general corporate use, cash flows from current operations, and/or the realization of current assets, such as accounts receivable. Based on our current forecast, we believe the Company's cash, and cash equivalents and investments, not including restricted cash, will be sufficient to fund our operating requirements for at least the next twelve months.

Some of our payments and receipts, including risk adjustment transfers and reinsurance receipts, can be significant. For example, during the third quarter of 2024, we made a payment through our health insurance subsidiaries of approximately $1,056.8 million into the risk adjustment program, for the 2023 policy year. As such, timing of payments and receipts can influence cash flows from operating activities in any given period which would have a negative impact on our operating cash flows.

Long-Term Cash Requirements

Our long-term cash requirements under our various contractual obligations and commitments include operating leases. We expect the cash required to meet our long-term obligations to be primarily generated through future cash flows from operations. See Note 13 – Leases to our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K for further detail of our obligations and the timing of expected future payments.

Convertible Senior Notes

On February 3, 2022, we issued $305.0 million in aggregate principal amount of convertible senior notes due 2031 (the “2031 Notes”) in a private placement to funds affiliated with or advised by Dragoneer Investment Group, LLC, Thrive Capital, LionTree Investment Management, LLC and Tenere Capital LLC (the “Initial Purchasers”). In connection with the sale and issuance of the 2031 Notes, on January 27, 2022, we entered into an investment agreement with the Initial Purchasers (the “Investment Agreement”) and on February 3, 2022, we entered into an indenture with U.S. Bank, as Trustee (the “Indenture”). The 2031 Notes bear interest at a rate of 7.25% per annum, payable in cash, semi-annually in arrears on June 30 and December 31 of each year, commencing on June 30, 2022. The 2031 Notes will mature on December 31, 2031, subject to earlier repurchase, redemption, or conversion.

Upon the occurrence of a fundamental change (as defined in the Indenture), holders of the 2031 Notes have the right to require us to repurchase all or some of their 2031 Notes for cash, subject to certain conditions. Additionally, the Initial Purchasers have the right to require us to repurchase all of their Notes for cash, on each of June 30, 2027, June 30, 2028, June 30, 2029 and June 30, 2030, subject to certain notice requirements. On or after December 31, 2026, if a Class A common stock sale price condition is satisfied, we are able to redeem all (but not less than all) of the 2031 Notes for cash. If we call any of the 2031 Notes for redemption, holders of the 2031 Notes shall have the right to convert any such 2031 Note any time before the close of business on the second business day immediately before the related redemption date.

The 2031 Notes may be converted at the option of the holders, on or after August 31, 2031, if we call the 2031 Notes for redemption, upon the satisfaction of a Class A common stock sale price or 2031 Note trading price condition, or upon certain corporate events. Upon conversion, the 2031 Notes will be settled, at the Company's election, in shares of Class A common stock, cash, or a combination of cash and shares of Class A common stock, unless an Initial Purchaser elects to receive the consideration due upon conversion solely in shares of Class A common stock pursuant to the terms of the Investment Agreement. During the quarterly period ended December 31, 2024, the Class A common stock sale price conversion condition was satisfied. As a result, the 2031 Notes are convertible during the first quarter of 2025 at the option of the holders. As of the date of this Annual Report on Form 10-K, the 2031 Notes have not been converted.

For additional details relating to the 2031 Notes, see Note 9 - Debt to our Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K, and, "Risk Factors–Risks Related to Indebtedness–Our debt obligations contain restrictions that impact our business and expose us to risks that could materially adversely affect our liquidity and financial condition" and "Risk Factors–Risks Related to Indebtedness–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."

Revolving Credit Facility

On December 28, 2023, we entered into a third amendment to our senior secured credit agreement (the "Third Amendment"), with Wells Fargo Bank, National Association, as lender and the administrative agent, and certain other lenders party thereto from time to time (collectively the "Lenders"), and Oscar Management Corporation, as a subsidiary guarantor, which amended the senior secured credit agreement, dated as of February 21, 2021 (as amended by the First Amendment to Credit Agreement, dated as of January 27, 2022, and as further amended by the Second Amendment to Credit Agreement, dated as of July 21, 2023, the "Credit Agreement" and as amended by the Third Amendment, the "Amended Credit Agreement"). The Amended Credit Agreement provides for a revolving loan credit facility (the "Revolving Credit Facility") in the aggregate principal amount of $115 million, with proceeds to be used for general corporate purposes. Borrowings under the Revolving Credit Facility bear interest equal to, at our option, one of two variable rates plus an applicable margin.

The Revolving Credit Facility is currently guaranteed by Oscar Management Corporation, a wholly owned subsidiary of Oscar, and all of our future direct and indirect subsidiaries (subject to certain permitted exceptions) (the "Guarantors"), and is secured by a lien on substantially all of our and the Guarantors' assets (subject to certain exceptions). The Revolving Credit Facility is available for us to borrow under until December 28, 2025, provided we are in compliance with the covenants contained therein, including financial covenants to maintain minimum thresholds related to direct policy premiums, consolidated Adjusted EBITDA (as defined in the Revolving Credit Facility), and liquidity, as well as a maximum medical loss ratio.

The Revolving Credit Facility permits us to increase commitments under the Revolving Credit Facility by an aggregate amount not to exceed $50 million, subject to certain conditions.

As of December 31, 2024, there were no outstanding borrowings under the Revolving Credit Facility.

For additional details relating to the Revolving Credit Agreement, see Note 9 - Debt to our Consolidated Financial Statements and "Risk Factors–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."

Investments

We generally invest our cash in U.S. Treasury instruments, federal and state agency securities, investment grade corporate bonds and asset backed securities to improve our overall investment return. These investments are made in accordance with board-approved investment policies that adhere to the requirements of our credit agreement and comply with relevant state laws and regulations.

Our investment policies are designed to provide liquidity, preserve capital, and optimize the total return on invested assets. These policies also align with the constraints of our credit agreement and state regulations governing the types of investments our health insurance subsidiaries can hold. These investment policies require that our investments in U.S. corporate bonds and asset backed securities have final maturities of no more than five years from the date of issuance and U.S. federal and state government obligations have final maturities of no more than seven years from the settlement date. Professional portfolio managers operating under documented guidelines manage our investments and a portion of our cash equivalents. Our portfolio managers are directed to obtain our prior approval before selling investments in a loss position.

Net investment income on a consolidated basis was $185.7 million and $155.4 million for the year ended December 31, 2024 and 2023, respectively. Net investment income for our health insurance subsidiaries was $174.9 million and $146.7 million for the year ended December 31, 2024 and 2023, respectively.

Our restricted investments consist primarily of cash and cash equivalents and U.S. Treasury securities; we have the ability to hold such restricted investments until maturity. The Company maintains cash and cash equivalents and investments on deposit or pledged to various state agencies as a condition for licensure. We classify our restricted deposits as long-term given the requirement to maintain such assets on deposit with regulators.

Summary of Cash Flows

Our cash flows used in operations may differ substantially from our net loss due to non-cash charges or due to changes in balance sheet accounts.

The timing of our cash flows from operating activities can also vary among periods due to the timing of payments made or received. Some of our payments and receipts, including loss settlements and subsequent reinsurance receipts, can be significant. Therefore, their timing can influence cash flows from operating activities in any given period. The potential for a large claim under an insurance or reinsurance contract means that our health insurance subsidiaries may need to make substantial payments within relatively short periods of time, which would have a negative impact on our operating cash flows.

Our primary operating cash flow sources are premiums and investment income. Our primary operating cash flow uses are payments for claims, risk adjustment transfers, and operating expenses, including interest expense. For the year ended December 31, 2024, net cash provided by operating activities was $978.2 million as compared with $272.2 million used in operating activities for the same period in 2023. The change was primarily due to higher premiums received, which were partially offset by higher claim disbursements.

Cash flows from investing activities primarily include the purchase and disposition of financial instruments. For the year ended December 31, 2024, net cash used in investing activities was $1,387.4 million as compared to $577.2 million net cash provided by investing activities for the same period in 2023. The change was primarily due to an increase in purchases of securities and a lower level of maturing investments.

Cash flows from financing activities include proceeds from the issuance of debt securities and proceeds from stock option exercises. For the year ended December 31, 2024, net cash provided by financing activities was $68.4 million compared to $6.4 million for the same period in 2023. The increase was primarily due to proceeds received from the exercise of stock options.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure due to potential changes in interest rates and/or inflation and the resulting impact on investment income and interest expense. We do not hold financial instruments for trading purposes.

Interest Rate Risk

We are subject to interest rate risk in connection with the fair value of our investment portfolio, which consists of U.S. Treasury and agency securities, corporate notes, and certificates of deposit. Our primary market risk exposure is driven by changes to prime rate-based interest rates. Interest rate risk is highly sensitive due to many factors, including U.S. monetary and tax policies, U.S. and international economic factors, and other factors beyond our control. Assuming a hypothetical and immediate 1% increase in interest rates at December 31, 2024, the fair value of our investments would decrease by approximately $39.6 million. Any declines in interest rates over time would reduce our investment income.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Oscar Health, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Oscar Health, Inc. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of operations, of comprehensive income, of stockholders' equity, and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes and financial statement schedule listed in the accompanying index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of Benefits Payable – Incurred but not Reported ("IBNR") Benefits Payable for Low Dollar Claims

As described in Notes 2 and 8 to the consolidated financial statements, the Company's benefits payable was $1,356.7 million as of December 31, 2024, with a significant portion of this balance related to low dollar claims. IBNR is an actuarial estimate, determined by employing actuarial methods that is based on claim payment patterns, medical cost inflation, historical developments such as claim inventory levels and claim receipt patterns, and other relevant factors. For low dollar incurred but not paid claims, for the months prior to the most recent two months, management uses the completion factor development method. Under this method, historical paid claims data is formatted into claim triangles, which compare claim incurred dates to the dates of claim payments. This information is analyzed to create historical completion factors that represent the average percentage of total incurred claims that have been paid through a given date after being incurred. Completion factors are applied to claims paid through the period-end date to estimate the ultimate claim expense incurred for the period. Actuarial estimates of incurred but not paid claim liabilities are then determined by subtracting the actual paid claims from the estimate of the ultimate incurred claims. For the most recent incurred months (typically the most recent two months), the percentage of claims paid for claims incurred in those months is generally low. Therefore, incurred claims for recent months are not projected from historical completion and payment patterns; rather, they are primarily based on forecasted per member per month low dollar claims projections developed from the Company's historical experience and adjusted for emerging experience data in the preceding months, which may include adjustments for known changes in estimates of recent hospital and drug utilization data, provider contracting changes, changes in benefit levels, changes in member cost sharing, changes in medical management processes, product mix, and workday seasonality.

The principal considerations for our determination that performing procedures relating to the valuation of IBNR benefits payable for low dollar claims is a critical audit matter are the significant judgment by management when estimating the IBNR for low dollar claims which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate the actuarial methods used by management and the significant assumptions related to completion factors and forecasted per member per month low dollar claims projections for low dollar incurred but not paid claims. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's process over the valuation of the IBNR benefits payable, including the assumptions, methodologies, and calculations. These procedures also included, among others, the involvement of professionals with specialized skill and knowledge to assist in developing an independent estimate of the IBNR for low dollar claims and comparing the independent estimate to management's estimate to evaluate the reasonableness of the estimate. Developing the independent estimate of the IBNR for low dollar claims involved the use of professionals with specialized skill and knowledge to (i) independently develop assumptions related to completion factors and forecasted per member per month low dollar claims projections and (ii) evaluate the appropriateness of the actuarial methods used by management. Developing the independent estimate of the IBNR for low dollar claims also included testing the completeness and accuracy of data provided by management.

Valuation of Risk Adjustment Transfer Payable related to the Affordable Care Act's ("ACA") Risk Adjustment Program

As described in Note 2 to the consolidated financial statements, the Company's risk adjustment transfer payable was $1,558.3 million as of December 31, 2024. The Affordable Care Act ("ACA") risk adjustment program is administered federally by the Centers for Medicare and Medicaid Services ("CMS"). Under this program, each plan is assigned a risk score based upon demographic information and current year claims information related to its members. Plans with lower than average risk scores relative to the estimated market average risk score, when applied to the statewide average premium, will have a risk adjustment payable into the pool. Inversely, plans with higher than average risk scores relative to the estimated market average risk score, when applied to the statewide average premium, will have a risk adjustment receivable from the pool. Management develops its membership risk scores for the risk adjustment payable using actuarial methodologies and assumptions and by analyzing member data, including demographic and projections of claims data expected to be submitted by the Company to CMS for settlement. Generally, the estimated market average risk score and statewide average premium are obtained from third party surveys of other insurance plans. There is judgment in estimating the Company's membership risk scores and the estimated market average risk scores. Management refines its estimate as new information becomes available and the final report on actual market risk scores is received from CMS in June of the following year.

The principal considerations for our determination that performing procedures relating to the valuation of the risk adjustment transfer payable related to the ACA's risk adjustment program is a critical audit matter are the significant judgment by management when estimating the risk adjustment transfer payable for each plan, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate the actuarial methodologies used by management and the significant assumptions related to (i) projections of claims data expected to be submitted by the Company to develop the Company's membership risk scores and (ii) estimated market average risk scores and statewide average premium. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's process over the valuation of the risk adjustment transfer payable related to the ACA risk adjustment program, including the assumptions, methodologies, and calculations. These procedures also included, among others, the use of professionals with specialized skill and knowledge to evaluate the appropriateness of the actuarial methodologies used by management for consistency with the federally developed risk adjustment methodology and evaluating the reasonableness of the significant assumptions related to projections of claims data expected to be submitted by the Company to develop the Company's membership risk scores and estimated market average risk scores and statewide average premium. Evaluating the reasonableness of management's significant assumptions related to projections of claims data expected to be submitted by the Company to develop the Company's membership risk scores and estimated market average risk scores and statewide average premium involved considering the current and past performance of the plans, consistency with market and industry data, and consistency with evidence obtained in other areas of the audit. Testing management's process also involved testing the completeness and accuracy of the data used by management.

/s/ PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 20, 2025

We have served as the Company's auditor since 2020.

Oscar Health, Inc.
Consolidated Statements of Operations

(in thousands, except per share amounts)	Year Ended December 31, 2024	2023	2022
Revenue			
Premium	$ 8,971,259	$ 5,686,069	$ 3,871,117
Investment income	185,729	155,447	27,594
Services and other	20,576	21,353	64,927
Total revenue	9,177,564	5,862,869	3,963,638
Operating Expenses			
Medical	7,332,589	4,642,024	3,280,798
Selling, general, and administrative	1,755,565	1,425,766	1,257,424
Depreciation and amortization	32,145	30,694	15,283
Total operating expenses	9,120,299	6,098,484	4,553,505
Earnings (loss) from operations	**57,265**	**(235,615)**	**(589,867)**
Interest expense	23,734	24,603	22,623
Other expenses (income)	105	7,082	(2,415)
Earnings (loss) before income taxes	**33,426**	**(267,300)**	**(610,075)**
Income tax expense (benefit)	7,305	3,294	(523)
Net income (loss)	**26,121**	**(270,594)**	**(609,552)**
Less: Net income (loss) attributable to noncontrolling interests	689	134	(3,277)
Net income (loss) attributable to Oscar Health, Inc.	**$ 25,432**	**$ (270,728)**	**$ (606,275)**
Earnings (Loss) per Share			
Basic	**$ 0.11**	**$ (1.22)**	**$ (2.85)**
Diluted	**$ 0.10**	**$ (1.22)**	**$ (2.85)**
Weighted Average Common Shares Outstanding			
Basic	**240,386**	**221,655**	**212,475**
Diluted	**265,853**	**221,655**	**212,475**

See the accompanying Notes to Consolidated Financial Statements

Oscar Health, Inc.
Consolidated Statements of Comprehensive Income

(in thousands)	Year Ended December 31, 2024	2023	2022
Net income (loss)	**$ 26,121**	**$ (270,594)**	**$ (609,552)**
Other comprehensive income (loss), net of tax:			
Net unrealized gains (losses) on securities available for sale	(3,136)	11,024	(6,044)
Comprehensive income (loss)	**22,985**	**(259,570)**	**(615,596)**
Comprehensive income (loss) attributable to noncontrolling interests	689	134	(3,277)
Comprehensive income (loss) attributable to Oscar Health, Inc.	**$ 22,296**	**$ (259,704)**	**$ (612,319)**

See the accompanying Notes to Consolidated Financial Statements

Oscar Health, Inc.
Consolidated Balance Sheets

(in thousands, except per share amounts)	December 31, 2024	December 31, 2023
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,527,186	$ 1,870,315
Short-term investments	624,461	689,833
Premiums and accounts receivable (net of allowance for credit losses of $31,300 and $31,600)	315,891	201,269
Risk adjustment transfer receivable	64,779	51,925
Reinsurance recoverable	291,537	241,194
Other current assets	21,320	6,564
Total current assets	2,845,174	3,061,100
Property, equipment, and capitalized software, net	66,793	61,930
Long-term investments	1,815,254	365,309
Restricted deposits	30,878	29,870
Other assets	82,397	83,271
Total assets	**$ 4,840,496**	**$ 3,601,480**
Liabilities and Stockholders' Equity		
Current Liabilities:		
Benefits payable	$ 1,356,730	$ 965,986
Risk adjustment transfer payable	1,558,341	1,056,941
Premium deficiency reserve	—	5,776
Unearned premiums	74,389	65,918
Accounts payable and other liabilities	432,428	273,367
Reinsurance payable	41,346	61,024
Total current liabilities	3,463,234	2,429,012
Long-term debt	299,555	298,777
Other liabilities	61,282	67,574
Total liabilities	**3,824,071**	**2,795,363**
Commitments and contingencies (Note 19)		
Stockholders' Equity		
Class A common stock, $0.00001 par value per share; 825,000 thousand shares authorized, 214,974 thousand and 193,875 thousand shares outstanding as of December 31, 2024 and 2023, respectively	2	2
Class B common stock, $0.00001 par value per share; 82,500 thousand shares authorized, 35,514 thousand shares outstanding as of December 31, 2024 and 2023, respectively	—	—
Treasury stock (315 thousand shares as of December 31, 2024 and 2023)	(2,923)	(2,923)
Additional paid-in capital	3,869,617	3,682,294
Accumulated deficit	(2,851,283)	(2,876,715)
Accumulated other comprehensive income (loss)	(1,827)	1,309
Total Oscar Health, Inc. stockholders’ equity	1,013,586	803,967
Noncontrolling interests	2,839	2,150
Total stockholders’ equity	1,016,425	806,117
Total liabilities and stockholders' equity	**$ 4,840,496**	**$ 3,601,480**

See the accompanying Notes to Consolidated Financial Statements

Oscar Health, Inc.

Consolidated Statements of Stockholders' Equity

(in thousands)	Year Ended December 31, 2024	2023	2022
Common stock, Class A shares			
Balance, beginning of period	193,875	181,176	175,212
Issuance of common stock from equity incentive plans	21,099	12,699	5,964
Balance, end of period	214,974	193,875	181,176
Common stock, Class B shares			
Balance, beginning of period	35,514	35,116	35,116
Issuance of common stock from equity incentive plans	—	398	—
Balance, end of period	35,514	35,514	35,116
Common stock, Class A			
Balance, beginning of period	$ 2	$ 2	$ 2
Balance, end of period	2	2	2
Common Stock, Class B			
Balance, beginning of period	—	—	—
Balance, end of period	—	—	—
Treasury stock			
Balance, beginning of period	(2,923)	(2,923)	(2,923)
Balance, end of period	(2,923)	(2,923)	(2,923)
Additional paid-in capital			
Balance, beginning of period	3,682,294	3,509,007	3,393,533
Issuance of common stock from equity incentive plans	68,388	3,956	1,299
Stock-based compensation expense	118,935	166,841	112,329
Joint venture contribution	—	2,490	1,846
Balance, end of period	3,869,617	3,682,294	3,509,007
Accumulated Deficit			
Balance, beginning of period	(2,876,715)	(2,605,987)	(1,999,712)
Net income (loss) attributable to Oscar Health, Inc.	25,432	(270,728)	(606,275)
Balance, end of period	(2,851,283)	(2,876,715)	(2,605,987)
Accumulated other comprehensive income (loss)			
Balance, beginning of period	1,309	(9,715)	(3,671)
Unrealized gains (losses) on investments, net	(3,136)	11,024	(6,044)
Balance, end of period	(1,827)	1,309	(9,715)
Noncontrolling interests			
Balance, beginning of period	2,150	2,016	5,293
Net income (loss) attributable to noncontrolling interests	689	134	(3,277)
Balance, end of period	2,839	2,150	2,016
Total stockholders' equity	**$ 1,016,425**	**$ 806,117**	**$ 892,400**

See the accompanying Notes to Consolidated Financial Statements

Oscar Health, Inc.
Consolidated Statements of Cash Flows

(in thousands)	Year Ended December 31, 2024	2023	2022
Cash Flows from Operating Activities:			
Net income (loss)	**$ 26,121**	**$ (270,594)**	**$ (609,552)**
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
Deferred taxes	(2,338)	58	(165)
Net realized loss (gain) on sale of financial instruments	(23)	70	1,274
Depreciation and amortization expense	32,145	30,694	15,283
Amortization of debt issuance costs	778	778	713
Stock-based compensation expense	109,824	159,683	112,329
Investment amortization (accretion), net of accretion	(26,877)	(29,374)	2,480
Change in provision for credit losses	(300)	28,612	2,988
Changes in assets and liabilities:			
(Increase) / decrease in:			
Premium and other receivables	(114,323)	(13,405)	(81,049)
Risk adjustment transfer receivable	(12,854)	(2,063)	(9,202)
Reinsurance recoverable	(50,343)	651,693	(460,897)
Other assets	(11,547)	11,307	(243)
Increase / (decrease) in:			
Benefits payable	390,744	28,258	424,146
Unearned premiums	8,472	(13,080)	3,953
Premium deficiency reserve	(5,776)	1,562	(25,033)
Accounts payable and other liabilities	152,768	(29,180)	57,811
Reinsurance payable	(19,678)	(366,626)	222,418
Risk adjustment transfer payable	501,400	(460,552)	723,095
Net cash (used in) provided by operating activities	**978,193**	**(272,159)**	**380,349**
Cash Flows from Investing Activities:			
Purchase of investments	(2,133,510)	(836,982)	(1,192,706)
Sale of investments	25,250	31,857	360,616
Maturity of investments	744,794	1,410,166	633,467
Purchase of property, equipment and capitalized software	(27,897)	(25,577)	(29,012)
Change in restricted deposits	3,929	(2,277)	1,116
Net cash (used in) provided by investing activities	**(1,387,434)**	**577,187**	**(226,519)**
Cash Flows from Financing Activities:			
Proceeds from long-term debt	—	—	305,000
Payments of debt issuance costs	—	—	(7,035)
Proceeds from joint venture contribution	—	2,490	1,846
Proceeds from exercise of stock options	68,388	3,956	1,299
Net cash provided by financing activities	**68,388**	**6,446**	**301,110**
Increase (decrease) in cash, cash equivalents and restricted cash equivalents	**(340,853)**	**311,474**	**454,940**
Cash, cash equivalents, restricted cash and cash equivalents—beginning of period	1,891,971	1,580,497	1,125,557
Cash, cash equivalents, restricted cash and cash equivalents—end of period	**1,551,118**	**1,891,971**	**1,580,497**
Cash and cash equivalents	1,527,186	1,870,315	1,558,595
Restricted cash and cash equivalents included in restricted deposits	23,932	21,656	21,902
Total cash, cash equivalents and restricted cash and cash equivalents	**$ 1,551,118**	**$ 1,891,971**	**$ 1,580,497**
Supplemental Disclosures:			
Interest payments	$ 33,691	$ 23,156	$ 10,079
Income tax payments	$ 674	$ 2,414	$ 1,893

See the accompanying Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

Oscar Health, Inc.
Notes to Consolidated Financial Statements
(in thousands, except share and per share amounts, or as otherwise stated herein)

1. ORGANIZATION

Oscar Health, Inc., together with its subsidiaries (either individually or collectively referred to as “Oscar” or the “Company”), is a leading healthcare technology company, whose mission is to make a healthier life accessible and affordable for all. The Company’s Class A common stock is traded on the New York Stock Exchange under the symbol “OSCR”.

Oscar operates as one segment to sell insurance to individuals, families and employees through the federal and state-run healthcare exchanges formed in conjunction with the Patient Protection and Affordable Care Act (“ACA”) and leverages its technology platform to provide services via its +Oscar offering.

The Company had partnered with Cigna through the Cigna+Oscar partnership to serve the small group employer market. The Company previously offered Medicare Advantage insurance coverage, but exited the Medicare Advantage market for the 2024 plan year.

The Company’s member-first philosophy and innovative approach to care has earned the trust of approximately 1.68 million effectuated members, as of December 31, 2024. Effectuated members are those who are actively enrolled in our plan and have either paid their premium or are within the grace period.

Non-Renewal of Cigna+Oscar Partnership and Exit from the Small Group Market

On March 26, 2024, the Company notified Cigna Health and Life Insurance Company that it would not renew the Cigna+Oscar Small Group arrangement after the expiration of the initial term on December 31, 2024. The parties continued to offer their Cigna+Oscar Small Group product through December 15, 2024. Following termination of the arrangement on December 31, 2024, the Company will continue to provide transition and run-off services through December 31, 2026 and share proportionally in all premiums and claims for any Cigna+Oscar Small Group plan sold or issued on or before December 15, 2024, in accordance with the terms of the arrangement. Additionally, effective December 15, 2024, Oscar no longer offered small group products in any market.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Consolidated Financial Statements include the accounts of the Company, all of the controlled subsidiaries and variable interest entities of which the Company is the primary beneficiary. Noncontrolling interest consists of equity that is not attributable directly or indirectly to the Company. All material intercompany transactions have been eliminated in consolidation. Balances (except per share data) are presented in U.S. dollars and rounded, as indicated. In order to preserve the mathematical accuracy of the underlying calculations, immaterial footing differences may occur between the sum of individual balances and the total balances presented.

Reclassification

With the commencement of the current fiscal year, the Company has made certain reclassifications to the income statement to provide more transparency into the Company’s streams of revenue and to increase comparability with peers. This reclassification has been applied retrospectively, and comparative figures for prior periods have been adjusted accordingly within the accompanying Consolidated Financial Statements. The reclassification does not affect the Company’s Net income.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements. Significant estimates inherent in the preparation of the accompanying audited Consolidated Financial Statements include healthcare costs incurred but not yet reported (“IBNR”) and risk adjustment transfers. Estimates are based on past experience and other considerations reasonable under the circumstances. Actual results may differ materially from these estimates.

Segment Information

Oscar operates as one reportable segment to sell insurance to its members through the federal and state-run healthcare exchanges formed in conjunction with the ACA and leverages its technology platform to provide services via its +Oscar Offering. The Company determined that our Chief Executive Officer is the chief operating decision maker (“CODM”) who regularly reviews financial information and other key performance indicators on a consolidated basis, for the purposes of allocating resources and evaluating financial performance. Factors used in determining the reportable segment include the nature of operating activities, the Company’s organizational and reporting structure, and the type of information presented to the Company’s CODM to allocate resources and evaluate financial performance.

Revenue

Premium

Premium revenue includes direct policy premiums collected directly from members and subsidies received from the Centers for Medicare & Medicaid Services (“CMS”) as part of the Advanced Premium Tax Credit (“APTC”) and Medicare Advantage programs, along with assumed premiums from the Company's reinsurance agreement. Premium revenue is adjusted for the estimated impact of the risk adjustment program required by CMS. Total premiums earned is net of ceded premium from excess of loss (“XOL”) and run-off quota share reinsurance contracts accounted for under reinsurance accounting.

The Company receives a fixed premium per member per month and recognizes premium revenue during the period in which it is obligated to provide services to its members. For direct policy premiums received from CMS, revenue is recorded based on membership and eligibility criteria provided by CMS and is subject to monthly adjustment by CMS.

The Company conducts business through the federal and state-run healthcare exchanges formed in conjunction with ACA and is therefore subject to certain risk stabilization programs and fees established by ACA, such as: Risk Adjustment and Minimum Medical Loss Ratio (“MLR”) requirements.

The ACA risk adjustment program is administered federally by CMS. Under this program, each plan is assigned a risk score based upon demographic information and current year claims information related to its members. Plans with lower than average risk scores relative to the estimated market average risk score, when applied to the statewide average premium, will have a risk adjustment payable into the pool. Inversely, plans with higher than average risk scores relative to the estimated market average risk score, when applied to the statewide average premium, will have a risk adjustment receivable from the pool.

Management develops its membership risk scores for the risk adjustment payable using actuarial methodologies and assumptions and by analyzing member data, including demographic and projections of claims data expected to be submitted by the Company to CMS for settlement. Generally, the estimated market average risk score and statewide average premium are obtained from third party surveys of other insurance plans. There is judgment in estimating the Company’s membership risk scores and the estimated market average risk scores. Management refines its estimate as new information becomes available and the final report on actual market risk scores is received from CMS in June of the following year.

In addition, CMS and the Office of Inspector General for Health and Human Services (“HHS”) perform risk adjustment data validation (“RADV”) audits of health insurance plans to validate the coding practices of and supporting documentation maintained by healthcare providers, and such audits have in the past and may in the future result in adjustments to risk transfer payments.

The ACA established a minimum MLR ratio that requires insurers to pay rebates to customers when MLR is below established thresholds. The medical loss ratio represents medical costs as a percentage of premium revenue. Federal regulations define what constitutes medical costs and premium revenue for purposes of calculating the required minimum MLR. The Company records estimated MLR rebates as an adjustment to premium revenue.

Services and Other

The Company earns revenue as part of services performed via the +Oscar platform. Services revenue is recognized in the period the contractual performance obligations are satisfied and measured in an amount that reflects the consideration the Company expects to be entitled to in exchange for performing the services. The timing of the Company's revenue recognition may differ from the timing of payment by customers. A receivable is recorded to Premiums and accounts receivable when revenue is recognized prior to payment and there is an unconditional right to payment. Alternatively, deferred revenue is recorded to Accounts payable and other liabilities when payment is received before the performance obligations are satisfied. Other revenue includes primarily sublease income.

Reinsurance

The Company participates in reinsurance agreements to limit risk and meet its capital requirements. The Company currently enters into two different types of arrangements: quota share reinsurance contracts that do not meet risk transfer requirements and XOL reinsurance contracts.

The quota share reinsurance contracts are accounted for under the deposit accounting method. Under deposit accounting, the contract is recorded as a financing, with no impact to premium revenue or medical expenses. In XOL reinsurance, the reinsurer agrees to assume all or a portion of the ceding company’s losses in excess of a specified amount. Under XOL reinsurance, the premium payable to the reinsurer is negotiated by the parties based on losses on an individual member in a given calendar year and their assessment of the amount of risk being ceded to the reinsurer. Premiums under XOL reinsurance agreements are based on enrollment calculated on a per member per month basis. The XOL contracts are accounted for under reinsurance accounting and, as such, the Company records premium paid to the reinsurer as a reduction to premium revenue. In the case of federal and state-run reinsurance programs, no reinsurance premiums are paid. Expected reimbursement from the reinsurer for claims incurred are recorded as a reduction to medical expenses.
Reinsurance contracts are renewed periodically and we review them in advance of the contract’s expiration to negotiate terms for new reinsurance contracts. During each renewal cycle, there are a number of factors considered when determining reinsurance coverage, including (1) plans to change the underlying insurance coverage offered by the Company, (2) trends in loss activity, (3) the level of the insurance subsidiaries' capital and surplus, (4) changes in the Company's risk appetite, and (5) the cost and availability of reinsurance coverage.

In addition to ceded reinsurance, an Oscar health insurance subsidiary partially reinsures the Cigna+Oscar small group offering through a quota share reinsurance arrangement. The Company records assumed premiums and assumed claims. Refer to Note 11 - Reinsurance for more information.

Premium Deficiency Reserve

Premium deficiency reserve (“PDR”) liabilities are established when it is probable that expected future claims and maintenance expenses will exceed future premium and reinsurance recoveries based on existing insurance contract terms including consideration of net investment income. For purposes of determining premium deficiency reserves, contracts are grouped consistent with the Company’s method of acquiring, servicing, and measuring the profitability of such contracts, which is generally on a line of business basis. The Company records PDR expenses within Selling, general, and administrative expenses on the Consolidated Statements of Operations.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with original maturities of three months or less.

Restricted Deposits

The Company defines restricted deposits as restricted cash, cash equivalents, and investments maintained on deposit or pledged primarily to various state agencies in connection with its insurance licensure. Statutory regulations require these amounts to remain on deposit indefinitely; therefore, the Company classifies these restricted deposits as long-term regardless of the contractual maturity date of the securities held. Restricted cash equivalents and investments are recorded at fair value.

Investments

The majority of the Company's investments are classified as available-for-sale and are carried at fair value. Short-term investments include securities with maturities between three months and one year. Long-term investments include securities with maturities greater than one year.

Under the Company's current expected credit loss ("CECL") model, the Company evaluates its available-for-sale debt investments for impairment by monitoring the difference between the carrying value and fair value of a security and whether declines in fair value are credit-related. If a security is in an unrealized loss position and the Company has the intent to sell, or it is more likely than not that the security will be sold before recovery of its amortized cost basis, the decline in fair value is recognized as a loss on the income statement. For securities in an unrealized loss position that the Company does not intend to sell, the Company performs an evaluation to determine what portion of the unrealized losses are credit-related; this portion is recognized on the income statement as an allowance for credit losses. The remaining non-credit-related portion of the decline in fair value is recognized as an unrealized loss in Accumulated other comprehensive income (loss).

Allowance for Credit Losses

Premium and other receivables primarily includes insurance premiums due from CMS and members, pharmaceutical rebates, and other claims-related provider receivables and are reported net of any allowance for credit losses. Receivable balances are also recorded related to the Company's risk adjustment program, reinsurance program, and value-based care arrangements. An allowance for credit losses is generally calculated based on historical collection experience, the counterparty's creditworthiness, and consideration of current and future economic events.

As part of value-based care arrangements, the Company entered into risk sharing arrangements with certain of its providers. The intention of these agreements is to align incentives with providers who desire to share accountability for the quality and costs of managing a population of Oscar's members. If medical expenses exceed agreed upon population-specify target MLR, the provider reimburses the Company an agreed upon portion of the excess expenses creating a risk share receivable due to the Company. The Company recorded risk sharing receivables on a gross basis on the Consolidated Balance Sheet. The Company evaluated expected losses on risk sharing receivables and recorded and adjusted the resulting expected losses to the allowance for credit losses based on the counterparty's financial health and creditworthiness and any significant changes in the healthcare environment. The Company writes off the receivable balance when it is determined to be uncollectible. The Company has presented the rollforward related to its allowance for credit losses on our risk sharing receivables below:

(in thousands)	For the year ended December 31, 2024	For the year ended December 31, 2023
Beginning balance	$ 31,600	$ 2,988
Provision for credit losses	(300)	28,612
Ending balance	**$ 31,300**	**$ 31,600**

Policy Acquisition Costs

Policy acquisition costs are those costs that relate directly to the successful acquisition of new and renewal insurance policies. Such costs include broker commissions, costs of policy issuance and underwriting, and other costs incurred to acquire new business or renew existing business. Policy acquisition costs, other than broker bonus commissions, are expensed in the period incurred. Broker bonuses are capitalized and amortized over the policy term. The Company's short-duration policies typically have a one-year term and may be canceled by the member upon 30 days' notice.

Income Taxes

Income taxes are accounted for under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the bases of the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The Company recognizes net deferred tax assets to the extent that the Company believes these assets are more likely than not to be realized. The Company establishes a valuation allowance when it does not consider it more likely than not that a deferred tax asset will be realized.

Benefits Payable

Benefits payable consists of liabilities for both IBNR and reported but not yet processed through the Company's systems that are determined in the aggregate, employing actuarial methods that are commonly used by health insurance actuaries and meet Actuarial Standards of Practice. Actuarial Standards of Practice require that the claim liabilities be appropriate under moderately adverse circumstances. IBNR is an actuarial estimate, determined by employing actuarial methods, that is based on claim payment patterns, medical cost inflation, historical developments such as claim inventory levels and claim receipt patterns, and other relevant factors.

For low severity incurred but not paid claims, for the months prior to the most recent two months, the Company typically uses the completion factor development method. This methodology is a detailed actuarial process that uses both historical claim payment patterns as well as emerging medical cost trends to project the Company's best estimate of claim liabilities. Under this method, historical paid claims data is formatted into claim triangles, which compare claim incurred dates to the dates of claim payments. This information is analyzed to create historical completion factors that represent the average percentage of total incurred claims that have been paid through a given date after being incurred. Completion factors are applied to claims paid through the period-end date to estimate the ultimate claim expense incurred for the period. Actuarial estimates of incurred but not paid claim liabilities are then determined by subtracting the actual paid claims from the estimate of the ultimate incurred claims. A seriatim methodology is utilized for high dollar claims which is supplemented by case management data supplied by medical and claims operations areas.

For the most recent incurred months (typically the most recent two months), the percentage of claims paid for claims incurred in those months is generally low. This makes the completion factor methodology less reliable for such months. Therefore, incurred claims for recent months are not projected from historical completion and payment patterns; rather, they are primarily based on forecasted per member per month low dollar claims projections developed from the Company's historical experience and adjusted for emerging experience data in the preceding months, which may include adjustments for known changes in estimates of recent hospital and drug utilization data, provider contracting changes, changes in benefit levels, changes in member cost sharing, changes in medical management processes, product mix, and workday seasonality.

Because the reserve methodology is based upon historical information, it must be adjusted for known or suspected operational and environmental changes. These adjustments are made by the Company's actuaries based on their knowledge and their estimate of emerging impacts to benefit costs and payment speed. Circumstances to be considered in developing the Company's best estimate of reserves include changes in utilization levels, unit costs, member cost sharing, benefit plan designs, provider reimbursement levels, processing system conversions and changes, claim inventory levels, claim processing patterns, and claim submission patterns.

The Company regularly reviews and sets assumptions regarding cost trends and utilization when initially establishing claim liabilities. The Company continually monitors and adjusts the claims liability and benefit expense based on subsequent paid claims activity. If it is determined that the Company's assumptions regarding cost trends and utilization are materially different from actual results, the Company's income statement and financial position could be impacted in future periods. Adjustments of prior year estimates may result in additional benefit expense or a reduction of benefit expense in the period an adjustment is made. Further, due to the considerable variability of healthcare costs, adjustments to claim liabilities occur each period and are sometimes significant as compared to the net income recorded in that period. Prior period development is recognized immediately upon the actuary's judgment that a portion of the prior period liability is no longer needed or that an additional liability should have been accrued. That determination is made when sufficient information is available to ascertain that the re-estimate of the liability is reasonable.

Disputed Claim Reserves
The Company also records, as part of benefits payable, an estimate of the ultimate liability for actual and potential claims disputes by providers based on an analysis of historical per member per month ("PMPM") dispute experience supplemented with current information on reported disputes. Since these liabilities are part of the overall claim reserve, they are proportionally ceded under the Company's reinsurance agreements for historical policy years with contracts in force. The disputed claim reserves included as part of the benefits payable balance was approximately $183.7 million and $241.1 million as of December 31, 2024 and 2023, respectively.

Unallocated Claims Adjustment Expenses
Claims adjustment expenses ("CAE") are costs incurred or expected to be incurred in connection with the adjustment and recording of health claims not subject to reinsurance. Such expenses include, but are not limited to, case management, utilization review, and quality assurance and are intended to reduce the number of health services provided or the cost of such services. CAE is included in other insurance costs and the related CAE payable is included in accounts payable and accrued liabilities.

Property, Equipment, and Capitalized Software

Property, equipment, and capitalized software are reported at cost less accumulated depreciation. Depreciation and amortization is calculated on a straight-line basis over the estimated useful lives of the related assets, which range from two to ten years. Costs related to certain software projects for internal use incurred during the application development stage are capitalized. Costs related to planning activities and post-implementation activities are expensed as incurred. Internal-use software is amortized on a straight-line basis over its estimated useful life, which ranges from three to seven years. Property, equipment, and capitalized software are assessed for impairment whenever events or circumstances suggest that an asset's carrying value may not be fully recoverable.

Leases

The Company leases office space under operating leases expiring on various dates through 2032. On the lease commencement date, a right-of-use ("ROU") asset and lease liability are recognized as Other assets and Other Liabilities on the Consolidated Balance Sheets based on the present value of the future minimum lease payments over the lease term. Since the Company's lease agreements do not provide an implicit rate, an incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of future payments. The calculation of the ROU asset is based on the lease liability, and includes any lease payments made, and excludes lease incentives and initial direct costs incurred.

The Company determines if an arrangement is a lease or contains a lease at inception of the arrangement based on the terms and conditions in the contract. Options to extend or terminate a lease at the Company's discretion are factored into the calculation of the lease liabilities and ROU assets only if the Company is reasonably certain it will exercise those options. Short-term leases with an initial term of twelve months or less are not recorded on the balance sheet.

Lease expense for the Company's operating leases is calculated on a straight-line basis over the lease term.within Selling, general, and administrative expenses on the Consolidated Statements of Operations. Lease and non-lease components are accounted for as a single lease component for all asset classes.

Earnings Per Share

Earnings (loss) per share ("EPS") is calculated using the two-class method, which is an earnings allocation model that treats participating securities as having rights to earnings that otherwise would have been available to common stockholders. Under the two-class method, earnings for the period are required to be allocated between common stock and participating securities based upon their respective rights to receive distributed and undistributed earnings. For EPS computation purposes, the Company's Class A and Class B common stock are considered one single class of common stock because both classes have the same dividend and liquidation rights. Refer to Note 3 - Earnings (Loss) Per Share for a description of our basic and diluted EPS calculations.

Variable Interest Entities

The Company enters arrangements with various entities that are deemed to be variable interest entities (“VIE”). A VIE is an entity that either (1) has equity investors that lack certain essential characteristics of a controlling financial interest (including the ability to control activities of the entity, the obligation to absorb the entity’s expected losses, and the right to receive the entity’s expected residual returns) or (2) lacks sufficient equity to finance its own activities without financial support provided by other entities, which in turn would be expected to absorb at least some of the expected losses of the VIE. The Company is deemed a primary beneficiary of a VIE if it has (1) the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE and (2) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could be potentially significant to the VIE. If both conditions are present, the Company is required to consolidate the VIE into its financial results.

Accounting Pronouncements - Recently Adopted

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2023-07 (“ASU 2023-07”), Segment Reporting (Topic 280): *Improvements to Reportable Segment Disclosures*, which requires, for each reportable segment, disclosure of significant segment expense categories, other segment items, enhanced interim disclosures of certain segment-related disclosures that previously were only required annually, and other disclosure requirements. This guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU 2023-07 and provided additional segment footnote disclosures in the Company's annual Consolidated Financial Statements for the year ending December 31, 2024. In addition, the Company provided enhanced disclosures regarding the measure of profit or loss reviewed by the CODM as well as enhanced expense disclosures.

Accounting Pronouncements - Not Yet Adopted

In December 2023, the FASB issued Accounting Standards Update No. 2023-09 ("ASU 2023-09"), Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*, which is intended to improve the transparency of income tax disclosures by requiring greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid and other amendments to improve the effectiveness of income tax disclosures. This guidance is effective for annual periods beginning after December 15, 2024, with early adoption permitted. ASU 2023-09 applies on a prospective basis; however, retrospective application in all prior periods presented is permitted. While the standard will require additional disclosures related to the Company’s income taxes, the standard is not expected to have any material impact on the Company’s consolidated operating results, financial condition, or cash flows. The Company is currently evaluating the impact of the adoption of this guidance on the related disclosures before it becomes effective for the Company’s 2025 annual financial statements.

In November 2024, the FASB issued Accounting Standards Update No. 2024-03 ("ASU 2024-03"), Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires additional disclosures in the notes to financial statements, disaggregating specific expense categories for relevant income statement captions and additional disclosures of the Company's total amount of selling expenses. This guidance is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on the Consolidated Financial Statements.

3. EARNINGS (LOSS) PER SHARE

Basic EPS is computed by dividing net income (loss) attributable to Oscar Health, Inc. for the period by the weighted-average shares of common stock outstanding during the period. In periods when the Company is in a net loss position, potentially dilutive securities are excluded from the computation of diluted EPS because their inclusion would have an anti-dilutive effect. Thus, basic EPS is the same as diluted EPS.

During periods of net income, diluted EPS is computed by dividing Net income attributable to Oscar Health, Inc. by the sum of the basic weighted-average shares of common stock outstanding and any dilutive potential common stock outstanding during the period, using the treasury stock method and the if-converted method for convertible senior notes, as described in Note 9 - Debt. Potential common stock includes the effect of outstanding dilutive stock options, restricted stock units and, performance-based restricted stock units. For the year ended December 31, 2024, the impact of convertible senior notes was anti-dilutive on dilutive EPS, and therefore excluded from the computation below. The computation for basic and diluted EPS is as follows:

	Year Ended December 31,		
(in thousands, except per share data)	2024	2023	2022
Numerator:			
Net income (loss) attributable to Oscar Health, Inc.	$ 25,432	$ (270,728)	$ (606,275)
Effect of convertible senior notes	—	—	—
Net income (loss) available to Oscar Health, Inc. common shareholders	**$ 25,432**	**$ (270,728)**	**$ (606,275)**
Denominator:			
Weighted average shares of common stock outstanding, basic and diluted	240,386	221,655	212,475
Common stock equivalents	25,467	—	—
Effect of convertible senior notes	—	—	—
Weighted average shares of common stock and potential dilutive common shares outstanding	**265,853**	**221,655**	**212,475**
Net Earnings (Loss) per Share			
Basic	**$ 0.11**	**$ (1.22)**	**$ (2.85)**
Diluted	**$ 0.10**	**$ (1.22)**	**$ (2.85)**

The following potential common shares were excluded from the computation of diluted EPS because including them would have had an anti-dilutive effect:

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Stock options to purchase common stock	$ 1,249	$ 26,378	$ 28,729
Restricted stock units	346	21,723	17,596
Performance-based restricted stock units	—	9,305	8,465
Shares underlying convertible notes (Note 9)	36,652	36,652	36,652
Total	**$ 38,247**	**$ 94,058**	**$ 91,442**

4. REVENUE RECOGNITION

Premiums earned

The composition of Premium revenue on the Consolidated Statement of Operations is as follows:

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Direct policy premiums	$ 10,292,125	$ 6,418,872	$ 6,704,330
Assumed premiums	219,572	228,786	138,109
Risk adjustment transfers	(1,526,448)	(950,680)	(1,507,919)
Reinsurance premiums ceded	(13,990)	(10,909)	(1,463,403)
Premium	**$ 8,971,259**	**$ 5,686,069**	**$ 3,871,117**

The direct policy premiums earned from CMS as part of APTC and Medicare Advantage for the years ended December 31, 2024, 2023, and 2022 were $9,512.3 million, $5,521.9 million, and $5,730.1 million, respectively.

5. INVESTMENTS

Net investment income was attributable to the following:

(in thousands)	Year Ended December 31, 2024	2023	2022
Fixed maturity securities	$ 82,085	$ 59,965	$ 10,713
Cash equivalents	98,618	90,152	22,121
Other [1]	5,823	6,148	(4,202)
Investment income	186,526	156,265	28,632
Investment expense	(797)	(818)	(1,038)
Net investment income	**$ 185,729**	**$ 155,447**	**$ 27,594**

(1) Represents the net interest earned (paid) on funds withheld.

For the years ended December 31, 2024 and 2023, the Company recorded accrued investment income of $19.8 million and $6.6 million, respectively.

The following tables provide summaries of the Company's investments by major security type as of December 31, 2024 and 2023:

(in thousands)	December 31, 2024 Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. treasury and agency securities	$ 1,946,759	$ 6,631	$ (9,028)	$ 1,944,362
Corporate notes	463,261	1,346	(799)	463,808
Certificate of deposit	29,136	—	—	29,136
Other [1]	2,409	—	—	2,409
Total	**$ 2,441,565**	**$ 7,977**	**$ (9,827)**	**$ 2,439,715**

(1) Includes equity securities without a readily determinable market value.

(in thousands)	December 31, 2023 Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. treasury and agency securities	$ 802,288	$ 1,689	$ (1,062)	$ 802,915
Corporate notes	234,908	854	(198)	235,564
Certificate of deposit	16,663	—	—	16,663
Total	**$ 1,053,859**	**$ 2,543**	**$ (1,260)**	**$ 1,055,142**

The following tables present the estimated fair value and gross unrealized losses of fixed maturity securities in a gross unrealized loss position, by the length of time in which the securities have continuously been in that position, as of December 31, 2024 and 2023:

	December 31, 2024					
	Less than 12 Months			12 Months or Longer		
(in thousands, except no. of securities)	Number of Securities	Fair Value	Gross Unrealized Losses	Number of Securities	Fair Value	Gross Unrealized Losses
U.S. treasury and agency securities	191	$ 730,938	$ (9,003)	6	$ 47,748	$ (25)
Corporate notes	110	146,349	(799)	—	—	—
Total	**301**	**$ 877,287**	**$ (9,802)**	**6**	**$ 47,748**	**$ (25)**

(in thousands, except no. of securities)	December 31, 2023					
	Less than 12 Months			12 Months or Longer		
	Number of Securities	Fair Value	Gross Unrealized Losses	Number of Securities	Fair Value	Gross Unrealized Losses
U.S. treasury and agency securities	69	$ 480,312	$ (995)	4	$ 24,551	$ (67)
Corporate notes	64	79,024	(166)	19	5,545	(32)
Total	**133**	**$ 559,336**	**$ (1,161)**	**23**	**$ 30,096**	**$ (99)**

The Company monitors available-for-sale debt securities for credit losses and recognizes an allowance for credit losses when factors indicate a decline in the fair value of a security is credit-related. Certain investments may experience a decline in fair value due to changes in market interest rates, changes in general economic conditions, or a deterioration in the credit worthiness of a security's issuer. For securities in an unrealized loss position that the Company does not intend to sell, the Company has assessed the gross unrealized losses during the period and determined an allowance for credit losses is not necessary because the declines in fair value are believed to be due to market fluctuations and not due to credit-related events.

The amortized cost and fair value of the Company's fixed maturity as of December 31, 2024 and 2023 by contractual maturity are shown below. Actual maturities of these securities could differ from their contractual maturities because issuers may have the right to call or prepay obligations, with or without penalties.

(in thousands)	December 31, 2024		December 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 623,465	$ 624,461	$ 690,694	$ 689,833
Due after one year through five years	1,815,691	1,812,845	363,165	365,309
Total	**$ 2,439,156**	**$ 2,437,306**	**$ 1,053,859**	**$ 1,055,142**

6. FAIR VALUE MEASUREMENTS

Fair value represents the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. The Company's financial assets and liabilities measured at fair value on a recurring basis are categorized into a three-level fair value hierarchy based on the priority of the inputs used in the fair value valuation technique.

The levels of the fair value hierarchy are as follows:

- Level 1: Inputs utilize quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Inputs utilize quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; or model-derived valuations in which all significant inputs are observable in active markets.
- Level 3: Inputs utilized are unobservable but significant to the fair value measurement for the asset or liability. The unobservable inputs are used to measure fair value to the extent relevant observable inputs are not available. The unobservable inputs typically reflect management’s own estimates about the assumptions a market participant would use in pricing the asset or liability.

The following tables summarize fair value measurements by level for assets and liabilities measured at fair value on a recurring basis:

	December 31, 2024			
(in thousands)	(Level 1)	(Level 2)	(Level 3)	Total Fair Value Measurement
Assets				
Cash equivalents	$ 95,331	$ —	$ —	$ 95,331
Investments				
U.S. treasury and agency securities	$ —	$ 1,944,362	$ —	$ 1,944,362
Corporate notes	—	463,808	—	463,808
Certificate of deposit	—	29,136	—	29,136
Restricted investments				
Certificates of deposit	—	—	—	—
U.S. treasury securities	—	6,946	—	6,946
Total assets	**$ 95,331**	**$ 2,444,252**	**$ —**	**$ 2,539,583**

	December 31, 2023			
(in thousands)	(Level 1)	(Level 2)	(Level 3)	Total Fair Value Measurement
Assets				
Cash equivalents	$ 434,330	$ —	$ —	$ 434,330
Investments				
U.S. treasury and agency securities	$ —	$ 802,915	$ —	$ 802,915
Corporate notes	—	235,564	—	235,564
Certificate of deposit	—	16,663	—	16,663
Restricted investments				
Certificate of deposit	—	2,478	—	2,478
U.S. treasury securities	—	5,736	—	5,736
Total assets	**$ 434,330**	**$ 1,063,356**	**$ —**	**$ 1,497,686**

7. RESTRICTED CASH AND RESTRICTED DEPOSITS

The Company maintains cash, cash equivalents and investments on deposit or pledged primarily to various state agencies in connection with its insurance licensure. The restricted cash and cash equivalents and restricted investments presented below are included in “restricted deposits” in the accompanying Consolidated Balance Sheets.

	As of December 31,	
(in thousands)	2024	2023
Restricted cash and cash equivalents	$ 23,932	$ 21,656
Restricted investments	6,946	8,214
Restricted deposits	**$ 30,878**	**$ 29,870**

8. BENEFITS PAYABLE

Reserves for medical claims expenses are estimated using actuarial assumptions and recorded as a Benefits payable liability on the Consolidated Balance Sheets. The assumptions for the estimates and for establishing the resulting liability are reviewed, and any adjustments to reserves are reflected in the Consolidated Statement of Operations in the period in which the estimates are updated.

The following table provides a rollforward of the Company’s beginning and ending Benefits payable and CAE payable balances for the years ended December 31, 2024, 2023, and 2022:

(in thousands)	Year Ended December 31, 2024 Benefits Payable	Unallocated Claims Adjustment Expense	Total
Benefits payable, beginning of the period	$ 965,986	$ 13,192	$ 979,178
Less: Reinsurance recoverable	57,111	—	57,111
Benefits payable, beginning of the period, net	**$ 908,875**	**$ 13,192**	**$ 922,067**
Claims incurred and CAE			
Current year	$ 7,497,259	$ 108,492	$ 7,605,751
Prior years	(164,670)	—	(164,670)
Total claims incurred and CAE, net	**$ 7,332,589**	**$ 108,492**	**$ 7,441,081**
Claims paid and CAE			
Current year	$ 6,349,624	$ 92,758	$ 6,442,382
Prior years	593,745	10,685	604,430
Total claims and CAE paid, net	**$ 6,943,369**	**$ 103,443**	**$ 7,046,812**
Benefits and CAE payable, end of period, net	$ 1,298,095	$ 18,241	$ 1,316,336
Add: Reinsurance recoverable	58,635	—	58,635
Benefits and CAE payable, end of period	**$ 1,356,730**	**$ 18,241**	**$ 1,374,971**

(in thousands)	Year Ended December 31, 2023 Benefits Payable	Unallocated Claims Adjustment Expense	Total
Benefits payable, beginning of the period	$ 937,727	$ 12,712	$ 950,439
Less: Reinsurance recoverable	277,944	—	277,944
Benefits payable, beginning of the period, net	**$ 659,783**	**$ 12,712**	**$ 672,495**
Claims incurred and CAE			
Current year	$ 4,622,263	$ 105,565	$ 4,727,828
Prior years	19,761	—	19,761
Total claims incurred and CAE, net	**$ 4,642,024**	**$ 105,565**	**$ 4,747,589**
Claims paid and CAE			
Current year	$ 3,840,009	$ 94,807	$ 3,934,816
Prior years	552,923	10,278	563,201
Total claims and CAE paid, net	**$ 4,392,932**	**$ 105,085**	**$ 4,498,017**
Benefits and CAE payable, end of period, net	$ 908,875	$ 13,192	$ 922,067
Add: Reinsurance recoverable	57,111	—	57,111
Benefits and CAE payable, end of period	**$ 965,986**	**$ 13,192**	**$ 979,178**

(in thousands)	Year Ended December 31, 2022 Benefits Payable	Unallocated Claims Adjustment Expense	Total
Benefits payable, beginning of the period	$ 513,582	$ 9,101	$ 522,683
Less: Reinsurance recoverable	159,180	—	159,180
Benefits payable, beginning of the period, net	**$ 354,402**	**$ 9,101**	**$ 363,503**
Claims incurred and CAE			
Current year	$ 3,279,460	$ 117,541	$ 3,397,001
Prior years	1,338	—	1,338
Total claims incurred and CAE, net	**$ 3,280,798**	**$ 117,541**	**$ 3,398,339**
Claims paid and CAE			
Current year	$ 2,726,912	$ 106,871	$ 2,833,783
Prior years	248,505	7,059	255,564
Total claims and CAE paid, net	**$ 2,975,417**	**$ 113,930**	**$ 3,089,347**
Benefits and CAE payable, end of period, net	$ 659,783	$ 12,712	$ 672,495
Add: Reinsurance recoverable	277,944	—	277,944
Benefits and CAE payable, end of period	**$ 937,727**	**$ 12,712**	**$ 950,439**

Amounts incurred related to prior periods vary from previously estimated liabilities as more claim information becomes available and claims are ultimately settled. The favorable development recognized in the year ended December 31, 2024 resulted primarily from lower than expected paid claims.

The following tables provide information about incurred, paid healthcare claims development, unpaid claims liability, and cumulative claims frequency. The claims development information for all periods preceding the most recent reporting period is considered required unaudited supplementary information. For claims frequency information summarized below, a claim is defined as the financial settlement of a single medical event in which remuneration was paid to the servicing provider. Total IBNR plus expected development on reported claims represents estimates for claims incurred but not reported and development on reported claims. The Company estimates its liability using actuarial methods that are commonly used by health insurance actuaries and meet Actuarial Standards of Practice. These actuarial methods consider factors such as historical data for payment patterns, cost trends, product mix, seasonality, utilization of healthcare services, and other relevant factors.

Incurred Healthcare Claims
Net of Reinsurance

(in thousands)	Year Ended December 31, (Unaudited) 2022	(Unaudited) 2023	2024	IBNR	Cumulative number of reported claims (in thousands)
Date of Service					
2022	$ 3,279,461	$ 3,314,332	$ 3,310,967	$ 31,889	12,725
2023		4,622,263	4,469,672	95,688	11,526
2024			7,497,259	1,147,635	17,917
Total claims incurred			**$ 15,277,898**		

Cumulative Paid Healthcare Claims
Net of Reinsurance

(in thousands)	Year Ended December 31, (Unaudited) 2022	(Unaudited) 2023	2024
Date of Service			
2022	$ 2,726,912	$ 3,223,917	$ 3,279,078
2023		3,840,009	4,373,984
2024			6,349,624
Total payment of incurred claims			14,002,686
All outstanding liabilities prior to 2022, net of reinsurance			22,883
Total benefits payable, net of reinsurance			**$ 1,298,095**

The following table reconciles total outstanding liabilities, net of reinsurance to Benefits payable in the Consolidated Balance Sheet:

(in thousands)	As of December 31, 2024	2023
Short-duration healthcare costs payable, net of reinsurance	$ 1,298,095	$ 908,875
Reinsurance recoverables	58,635	57,111
Total benefits payable	**$ 1,356,730**	**$ 965,986**

9. DEBT

Convertible Senior Notes

In February 2022, the Company issued $305.0 million in aggregate principal amount of convertible senior notes due 2031 (the "2031 Notes") in a private placement to funds affiliated with or advised by Dragoneer Investment Group, LLC, Thrive Capital, LionTree Investment Management, LLC and Tenere Capital LLC (the "Initial Purchasers"). In connection with the issuance of the 2031 Notes, on January 27, 2022, the Company entered into an investment agreement with the Initial Purchasers (the "Investment Agreement") and on February 3, 2022, the Company entered into an indenture with U.S. Bank, as Trustee (the "Indenture"). The 2031 Notes bear interest at a rate of 7.25% per annum, payable in cash, semi-annually in arrears on June 30 and December 31 of each year, commencing on June 30, 2022. The 2031 Notes will mature on December 31, 2031, subject to earlier repurchase, redemption, or conversion.

The 2031 Notes are the Company's senior, unsecured obligations and are (i) equal in right of payment with the Company's existing and future senior, unsecured indebtedness; (ii) senior in right of payment to the Company's existing and future indebtedness that is expressly subordinated to the 2031 Notes; (iii) effectively subordinated to the Company's existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness; and (iv) structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent the Company is not a holder thereof) preferred equity, if any, of the Company's subsidiaries.

The 2031 Notes are convertible into the Company's Class A common stock at initial conversion rates of 120.1721 per $1,000 principal amount (equivalent to an initial conversion price of approximately $8.32 per share of Class A common stock), subject to customary adjustments upon the occurrence of certain events. In addition, upon the occurrence of a make-whole fundamental change, as defined in the Indenture governing the 2031 Notes (the "Indenture"), the Company will, in certain circumstances, increase the conversion rate by a number of additional shares for a holder that elects to convert its 2031 Notes in connection with such make-whole fundamental change.

The 2031 Notes may be converted at the option of the holders, on or after August 31, 2031, if the Company calls the 2031 Notes for redemption, upon the satisfaction of a Class A common stock sale price or 2031 Note trading price condition, or upon certain corporate events. Upon conversion, the 2031 Notes will be settled, at the Company's election, in shares of Class A common stock, cash, or a combination of cash and shares of Class A common stock, unless an Initial Purchaser of the 2031 Notes elects to receive the consideration due upon conversion solely in shares of Class A common stock pursuant to the terms of the Investment Agreement. During the quarterly period ended December 31, 2024, the Class A stock sale price condition was satisfied when the last reported sales price per share of the Company's Class A common stock was greater than 130% of the conversion price of $8.32 per share for each of at least twenty (20) trading days during the period of thirty (30) consecutive trading days ending on, and including, the last trading day of the quarter. As a result, the 2031 Notes are convertible during the first quarter of 2025 at the option of the holders. As of the date of this Annual Report on Form 10-K, the 2031 Notes have not been converted.

Upon the occurrence of a fundamental change (as defined in the Indenture), holders of the 2031 Notes have the right to require the Company to repurchase all or some of their 2031 Notes for cash, subject to certain conditions. The repurchase price will be equal to the principal amount of the notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the applicable repurchase date. Additionally, the initial purchasers of the 2031 Notes have the right to require the Company to repurchase all of their Notes for cash, on each of June 30, 2027, June 30, 2028, June 30, 2029 and June 30, 2030, subject to certain notice requirements.

The Company may not redeem the 2031 Notes prior to December 31, 2026. The Company may redeem all, but not less than all, of the 2031 Notes, at the Company's option, on or after December 31, 2026 and on or before the 35th scheduled trading day immediately preceding the maturity date, for a cash purchase price equal to the redemption price, but only if the last reported sale price per share of Class A common stock exceeds 200% of the conversion price on each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on, and including, the trading day immediately before the date on which the Company sends the redemption notice for such redemption. The redemption price will be a cash amount equal to the principal amount of the 2031 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. Notwithstanding the foregoing, if the Company calls any of the 2031 Notes for redemption the Initial Purchasers have the right to convert the 2031 Notes and to elect to receive the consideration due upon conversion solely in shares of Class A common stock pursuant to the terms of the Investment Agreement.

The 2031 Notes include customary provisions relating to the occurrence of "Events of Default" (as defined in the Indenture), as well as customary covenants for convertible notes of this type, including restrictions on the Company's ability to refinance the Company's indebtedness and incur additional indebtedness.

As of December 31, 2024, the net carrying amount of the 2031 Notes was $299.6 million, with unamortized debt discount and issuance costs of $5.4 million. The Company classified the fair value of the 2031 Notes as a level 3 measurement due to the lack of observable market data over fair value inputs such as our stock price volatility over the term of the 2031 Notes and the Company's cost of debt. The estimated fair value of the 2031 Notes as of December 31, 2024 was $539.8 million.

The following table presents the interest expense indicating an effective interest rate of 7.61% over the term of the 2031 Notes:

	December 31,	
(in thousands)	2024	2023
Coupon interest expense	$ 21,928	$ 22,112
Amortization of debt discount and issuance costs	778	778
Total interest expense	**$ 22,706**	**$ 22,890**

Revolving Credit Facility

On December 28, 2023, the Company entered into a third amendment to its senior secured credit agreement (the "Third Amendment"), with Wells Fargo Bank, National Association, as lender and administrative agent, and certain other lenders party thereto from time to time (collectively, the "Lenders"), and Oscar Management Corporation, as a subsidiary guarantor, which amended the senior secured credit agreement, dated as of February 21, 2021 (as amended by the First Amendment to Credit Agreement, dated as of January 27, 2022, and as further amended by the Second Amendment to Credit Agreement, dated as of July 21, 2023, the "Credit Agreement" and as amended by the Third Amendment, the "Amended Credit Agreement"). The Amended Credit Agreement provides for a revolving loan credit facility (the "Revolving Credit Facility") in the aggregate principal amount of $115.0 million, with proceeds to be used for general corporate purposes of the Company.

Under the terms of the Revolving Credit Facility, borrowings under the Revolving Credit Facility bear interest at a rate equal to, at the Company's option, either (a) an adjusted term secured overnight financing rate ("SOFR"), plus an applicable margin of 4.50% (SOFR is calculated based on one-, three- or six-month SOFR, or such other period as agreed by all relevant Lenders, which is determined by reference to the SOFR administrator's website, but not less than 1.00%), or (b) a rate per annum equal to the Alternate Base Rate, as defined in the Revolving Credit Facility, plus the applicable margin of 3.50%

(the Alternate Base Rate is equal to the highest of (i) the prime rate, (ii) the federal funds effective rate plus 0.50%, and (iii) SOFR based on a one-month interest period, plus 1.00%). The Revolving Credit Facility also includes a commitment fee of 0.50% for available but undrawn amounts and other administrative fees that are payable quarterly.

The Revolving Credit Facility is guaranteed by Oscar Management Corporation, each wholly owned subsidiary of the Company, and all of the Company's future direct and indirect subsidiaries (in each case subject to certain permitted exceptions, including exceptions for guarantees (i) that would require material governmental consents or (ii) in respect of joint ventures) (the "Guarantors"). Oscar Management Corporation is currently the only Guarantor. The Revolving Credit Facility is secured by substantially all of the Company’s and the Guarantors' assets (subject to certain exceptions). The Revolving Credit Facility is available for the Company to borrow under until December 28, 2025, provided the Company is in compliance with the restrictive and financial covenants contained therein, including financial covenants to maintain minimum thresholds related to direct policy premiums, consolidated Adjusted EBITDA (as defined in the Revolving Credit Facility), and liquidity, as well as a maximum medical loss ratio.

The Company is permitted to increase commitments under the Revolving Credit Facility by an aggregate amount not to exceed $50.0 million, subject to certain conditions.

As of December 31, 2024, there were no outstanding borrowings under the Revolving Credit Facility.

10. STOCK-BASED COMPENSATION

2012 Stock Plan

Prior to the initial public offering ("IPO"), the Company maintained the 2012 Stock Plan (the “2012 Plan”), which provided for the grant of incentive stock options ("ISOs"), non-qualified stock options ("NSOs"), common stock of the Company, stock payments and restricted stock units. The 2012 Plan was initially adopted on December 6, 2012, and most recently amended and restated in March 2021. The 2012 Plan was terminated upon the effectiveness of the 2021 Incentive Award Plan in March 2021, and no further awards will be made under the 2012 Plan.

2021 Incentive Award Plan

In March 2021, the Company’s board of directors adopted the 2021 Incentive Award Plan (the “2021 Plan”), which provides for the grant of NSOs, ISOs, stock appreciation rights (“SARs”), restricted stock, restricted stock units (including time-based restricted stock units (“RSUs”), and performance-based restricted stock units (“PSUs”)), dividend equivalents and other stock or cash awards to employees, consultants and non-employee directors. Under the 2021 Plan, there are 49.2 million shares authorized to be issued, with 7.2 million shares still available for future issuance as of December 31, 2024. The shares available for future issuance as of December 31, 2024 may be issued as either Class A common stock or Class B common stock.

2022 Inducement Incentive Award Plan

In April 2022, the Company’s board of directors adopted the 2022 Employment Inducement Incentive Award Plan (the “Inducement Plan”), which provides for the grant of NSOs, SARs, restricted stock, RSUs, PSUs, dividend equivalents and other stock or cash awards to prospective employees. The Inducement Plan was amended on March 28, 2023 to add 13.3 million shares to the plan. Under the Inducement Plan, as of December 31, 2024, there are 18.3 million shares authorized to be issued, with 5.8 million shares still available for future issuance. The shares available for future issuance as of December 31, 2024 may be issued as Class A common stock.

Stock-Based Compensation Expense

Stock-based compensation expense is recognized on a straight-line basis over the requisite service period. Forfeitures are accounted for as they occur. The Company records stock-based compensation expense within Selling, general, and administrative expenses on the Consolidated Statements of Operations. The Company's stock-based compensation expense for the years ended December 31, 2024, 2023, and 2022 was $119.0 million, $166.8 million, and $112.3 million, respectively. The Company capitalized $9.1 million and $7.1 million of stock-based compensation expense related to internally developed software for the years ended December 31, 2024 and 2023, respectively. The Company did not capitalize any stock-based compensation expense for the year ended December 31, 2022.

Stock Options

Stock options granted under the 2012 Plan and 2021 Plan include ISOs and NSOs, generally have a maximum contractual term of 10 years, and typically vest over a four-year period.

The following table summarizes the stock option award activity for the year ended December 31, 2024:

	Options			
	Number of Options (in thousands)	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life (in years)**	**Aggregate Intrinsic Value (in thousands)**
Options Outstanding - December 31, 2023	26,378	$ 10.18	5.35	$ 15,700
Options granted	2	$ 18.48		
Options exercised	7,810	$ 8.76		$ 71,687
Options canceled	626	$ 13.23		
Options Outstanding - December 31, 2024	17,944	$ 10.69	4.87	$ 63,110
Options Exercisable at December 31, 2024	16,971	$ 10.87	4.68	$ 56,912

The weighted average grant date fair value of options granted during the years ended December 31, 2024 and 2023 was $10.65 and $3.74, respectively. There were no stock options granted during the year ended December 31, 2022. The aggregate intrinsic value of options exercised during the years ended December 31, 2024, 2023 and 2022 was $71.7 million, $8.5 million, and $1.0 million, respectively.

Determination of Fair Value of Stock Options
The fair value of stock options is estimated on the grant date using the Black-Scholes option-pricing model, which takes into account significant assumptions such as the expected term of the option, stock price volatility, and a risk-free rate of return. The Company has used the simplified method in calculating the expected term of all option grants based on the vesting period and contractual term.

The table below summarizes the assumptions used during the years ended December 31, 2024 and 2023. There were no stock options granted during the year ended December 31, 2022.

	December 31,	
	2024	**2023**
Term in years	5	6.02 - 6.14
Risk free rate of return	3.8%	3.5% - 4.7%
Expected volatility	65.0%	58.2% - 59.4%
Dividend yield	— %	— %

Compensation Expense – Stock Options
For the years ended December 31, 2024, 2023 and 2022, the Company recorded compensation expense of $8.7 million, $12.0 million and $21.5 million respectively. As of December 31, 2024, the amount of unrecognized compensation expense for stock options is $3.4 million, which is expected to be recognized over a weighted-average period of 2.0 years.

Restricted Stock Units

RSUs represent the right to receive shares of the Company’s Class A or Class B common stock at a specified date in the future and typically have a vesting period of one to four years.

The following table summarizes RSU award activity for the year ended December 31, 2024:

	RSUs	
	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value
Outstanding RSUs at December 31, 2023	21,723	$ 7.06
RSUs granted	5,076	$ 14.71
RSUs vested	11,437	$ 8.18
RSUs canceled	2,230	$ 8.27
Outstanding RSUs at December 31, 2024	**13,132**	**$ 8.83**

Determination of Fair Value of RSUs
The fair value of RSUs granted is determined on the grant date based on the fair value of the Company's common stock. The total fair value of RSUs vested during the years ended December 31, 2024 and 2023 was $93.6 million and $89.7 million, respectively.

Compensation Expense – RSUs
For the years ended December 31, 2024, 2023 and 2022, the Company recorded compensation expense of $95.0 million, $90.0 million and $65.5 million, respectively. As of December 31, 2024, the amount of unrecognized compensation expense for RSUs is $101.2 million, which is expected to be recognized over a weighted-average period of 1.6 years.

Performance-based Restricted Stock Units

PSUs represent the right to receive shares of the Company’s Class A or Class B common stock at a specified date in the future based on pre-determined performance and service conditions. The PSUs granted include awards with a market condition, which are eligible to vest based on the achievement of predetermined stock price goals, and awards with performance conditions, which are eligible to vest based on the Company’s predetermined financial targets. For PSUs with predetermined financial targets, the number of shares that may vest ranges from 0% to 200% of the target amount. These PSUs cliff vest at the end of a three-year performance period. Additionally, the ultimate payout of the PSUs is subject to a relative total shareholder return (“TSR”) performance modifier, which adjusts the payout level upwards or downwards based on the Company’s shareholder return over the same three-year performance period relative to companies in a peer group established by the Company at the grant date.

The following table summarizes PSU award activity for the year ended December 31, 2024:

	PSUs	
	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value
Outstanding PSUs at December 31, 2023	9,305	$ 4.37
PSUs granted	857	$ 24.03
PSUs vested	1,851	$ 8.68
PSUs canceled	99	$ 24.03
Outstanding PSUs at December 31, 2024	**8,212**	**$ 5.21**

Determination of Fair Value of PSUs
The fair value of PSUs with performance conditions is determined on the grant date based on the fair value of the Company's common stock.

The fair value of PSUs with market conditions and financial targets with relative TSR modifiers are estimated on the grant date using a Monte Carlo simulation model, which utilizes multiple variables that determine the probability of satisfying the market conditions or level of relative TSR modification as stipulated in the award. The table below summarizes the assumptions used during the years ended December 31, 2024 and 2023. There were no PSUs with market conditions granted during the year ended December 31, 2022.

	December 31, 2024	December 31, 2023
Grant date stock price	$ 18.09	$ 6.74
Term in years	3.0	3.0
Expected volatility	66.2 %	59.9 %
Risk-free rate	4.6 %	3.6 %
Dividend yield	— %	— %

Cancellation of the Founders Awards – PSUs
On March 28, 2023, the Company's Co-Founders, Mario Schlosser (the Company's President of Technology and Chief Technology Officer and former Chief Executive Officer) and Joshua Kushner (the Company's Vice Chairman), recommended to the Company's board of directors that they should cancel and terminate the applicable awards that were granted to them in connection with the Company's IPO (the "Founders Awards"). Mr. Schlosser and Mr. Kushner each entered into an agreement to cancel and terminate his Founders Award, which consisted of performance-based restricted stock units covering 4,229,853 shares (for Mr. Schlosser) and 2,114,926 shares (for Mr. Kushner) of the Company's Class A common stock. As a result of this cancellation, the Company recognized approximately $46.3 million of accelerated stock-based compensation expense that would have otherwise been recognized over the remaining vesting period of the awards.

Compensation Expense – PSUs
For the years ended December 31, 2024, 2023 and 2022 the Company recorded compensation expense of $15.3 million, $64.9 million, and $25.3 million respectively. As of December 31, 2024, the amount of unrecognized compensation expense for PSUs is $23.9 million, which is expected to be recognized over a weighted-average period of 1.7 years.

11. REINSURANCE

The Company participates in quota share reinsurance to limit risk and capital requirements and XOL reinsurance to mitigate the exposure of high cost or catastrophic member risk. The quota share reinsurance arrangements are with more than one counterparty with multiple state-level treaties. The XOL reinsurance arrangements are with a private counterparty and federal and state-run programs.

The Company also operates under an assumed reinsurance contract, under which the Company shares proportionally in all premiums and claims underwritten for the Cigna+Oscar Small Group offering.

Reinsurance Contracts Accounted for under Deposit Accounting

Reinsurance contracts that do not meet risk transfer requirements are accounted for under the deposit accounting method. Under deposit accounting, the contract is recorded as a financing, with no impact to premium revenues or medical expenses. The premiums earned and claims incurred that would have otherwise been ceded under reinsurance accounting are recorded on a net basis on the Consolidated Balance Sheets as a deposit liability within Accounts payable and other liabilities, respectively. As of December 31, 2024 and December 31, 2023, a deposit liability balance of $13.6 million and $7.0 million, respectively, was recorded for the Company's quota share arrangements accounted for under deposit accounting and represents fees due to the reinsurer, which are recognized within Selling, general, and administrative expenses on the Consolidated Statements of Operations.

For the years ended December 31, 2024, 2023, and 2022, the Company ceded 53%, 45%, and 18% of its premium under reinsurance contracts accounted for under deposit accounting, respectively.

Reinsurance Contracts Accounted for under Reinsurance Accounting

When significant risk is transferred to the reinsurer, reinsurance accounting is required. Reinsurance accounting applies to quota share reinsurance contracts that are in runoff as well as the XOL treaties. Under reinsurance accounting, the Company records premium paid to the reinsurer as a reduction to premium revenue with a corresponding reinsurance payable. In the case of federal and state-run reinsurance programs, no reinsurance premiums are paid. Expected reimbursement from the reinsurer for claims incurred are recorded as a reduction to claims incurred with a corresponding reinsurance recoverable asset. The tables below present information for the Company's reinsurance arrangements accounted for under reinsurance accounting. See Note 4 - Revenue Recognition for total reinsurance premiums ceded and reinsurance premiums assumed, which are included as components of total Premium revenue in the Consolidated Statements of Operations.

The following table reconciles total Medical expenses to the amount presented in the Consolidated Statements of Operations:

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Direct claims incurred	$ 7,278,267	$ 4,459,702	$ 4,428,000
Ceded reinsurance claims	(159,132)	(44,736)	(1,290,349)
Assumed reinsurance claims	213,454	227,058	143,147
Medical expenses	**$ 7,332,589**	**$ 4,642,024**	**$ 3,280,798**

The Company records Selling, general and administrative ("SG&A") expenses net of reinsurance ceding commissions and assumed SG&A expenses. The following table reconciles total Selling, general and administrative expenses to the amount presented in the Consolidated Statements of Operations:

	Year Ended December 31, 2024		
(in thousands)	2024	2023	2022
Selling, general and administrative expenses, gross	$ 1,755,942	$ 1,424,763	$ 1,419,370
Reinsurance ceding commissions	(377)	1,003	(161,946)
Selling, general and administrative expenses	**$ 1,755,565**	**$ 1,425,766**	**$ 1,257,424**

The composition of the Reinsurance recoverable balance on the Consolidated Balance Sheets is as follows:

	December 31,	
(in thousands)	2024	2023
Reinsurance premium and claim recoverables	$ 288,878	$ 224,837
Reinsurance ceding commissions	6,996	7,054
Experience refunds on reinsurance agreements	(4,338)	9,303
Reinsurance recoverable	**$ 291,537**	**$ 241,194**

Credit Ratings

The financial condition of the Company's reinsurers is regularly evaluated to minimize exposure to significant losses. A key credit quality indicator for reinsurance is the financial strength ratings issued by the credit rating agencies, which provide an independent opinion of a reinsurer’s ability to meet ongoing obligations to policyholders. The Company’s reinsurers have most recently been issued financial strength ratings of A1 or higher.

The creditworthiness of each reinsurer is evaluated in order to assess counterparty credit risk and estimate an allowance for expected credit losses on the Company's reinsurance recoverable balances.

12. INCOME TAXES

The current income tax provision reflects the tax consequences of revenues and expenses currently taxable or deductible for the year reported. The deferred income tax provision or benefit reflects the differences between the financial and income tax reporting bases of the Company's underlying assets and liabilities. The components of the provision for income taxes are as follows for the periods indicated:

	Years Ended December 31,		
(in thousands)	2024	2023	2022
Current income tax expense (benefit):			
Federal	$ 2,219	$ 3,222	$ (358)
State	7,424	14	—
Total current income tax expense (benefit)	**$ 9,643**	**$ 3,236**	**$ (358)**
Deferred income (benefit) tax:			
Federal	$ 73	$ 58	$ (165)
State	(2,411)	—	—
Total deferred tax (benefit)	$ (2,338)	$ 58	$ (165)
Total income tax expense (benefit)	**$ 7,305**	**$ 3,294**	**$ (523)**

A reconciliation of the tax provision at the U.S. federal statutory tax rate to the provision for income taxes and the effective tax rate follows for the periods indicated:

	Year Ended December 31,		
(in thousands, except percentages)	2024	2023	2022
Income (loss) before income taxes	$ 33,426	$ (267,300)	$ (610,075)
Income tax benefit at statutory rate	21.00 %	21.00 %	21.00 %
State taxes (net of federal income tax)	17.16 %	(1.23) %	6.00 %
Change in valuation allowance	(10.88) %	(11.08) %	(23.27) %
Stock-based compensation adjustment	(99.52) %	(1.65) %	(1.92) %
Non-deductible compensation	91.80 %	(8.36) %	(1.56) %
Other permanent items	2.30 %	0.09 %	(0.16) %
Total income tax	**21.86 %**	**(1.23)%**	**0.09 %**

Deferred income tax assets and liabilities are recognized for the differences between the financial and income tax reporting bases of assets and liabilities based on enacted tax rates and laws. The components of deferred income tax assets and liabilities are as follows for the periods indicated:

	December 31,	
(in thousands)	2024	2023
Deferred Tax Assets:		
Net operating loss ("NOL") carryforwards	$ 525,056	$ 548,147
Claims reserves	27,282	17,736
Deposit accounting	15,330	—
Fixed assets and capitalized software	7,968	6,600
Accrued bonus	7,652	5,786
Allowance for credit loss	6,573	6,636
Unearned premium reserve	3,370	2,756
Stock option	2,824	2,396
Start-up costs	2,364	2,805
Unrealized losses	383	21
Premium deficiency reserves	—	1,213
Other	5,932	6,568
Total deferred tax assets before valuation allowance	**604,734**	**600,664**
Valuation allowance	590,629	591,701
Total deferred tax assets, net of valuation allowance	**$ 14,105**	**$ 8,963**
Deferred Tax Liabilities:		
Investments	5,131	2,553
Prepaid expenses	3,204	2,830
Unrealized gains	54	295
Other	2,676	2,581
Total deferred tax liabilities	**11,065**	**8,259**
Net deferred tax assets	**$ 3,040**	**$ 704**

The Company evaluates the need for a valuation allowance against its deferred tax assets considering all available positive and negative evidence. Based on its analysis, the Company concluded that it is more likely than not that all or some portion of the deferred tax asset will not be realized. The Company has a valuation allowance of $590.6 million at December 31, 2024 against its deferred tax assets, including federal and state net operating losses, as the Company does not have a history of positive earnings. Valuation allowances will be provided until it becomes more likely than not that the benefit of the federal and state deferred tax assets will be realized.

Federal NOL carryovers are $2,156.8 million, of which $1,249.0 million expire beginning in 2035 through 2043, and $907.8 million have indefinite carryforward periods. State NOL carryforwards from group filings are approximately $1,001.5 million and from separate entity filings are $298.9 million; state NOL carryforwards expire beginning in 2035. Pursuant to I.R.C Section 382, the Company underwent a change in ownership in 2016. Based on the annual limitation, use of pre-change NOL carryforwards will not be limited prior to expiration.

The Company evaluates tax positions to determine whether the benefits are more likely than not to be sustained on audit based on technical merits. The Company did not have any uncertain tax positions for the years ended December 31, 2024, 2023, and 2022. The Company does not expect any significant changes to unrecognized tax benefits in the next twelve months. The Company's policy is to classify interest accrued related to unrecognized tax benefits in interest expense while penalties are included in income tax expense. The Company had no interest or penalties related to uncertain tax positions.

The Company currently files income tax returns in the United States, various states, and localities. The majority of the Company's operating subsidiaries are included in a consolidated federal income tax return. The Company began operations in 2012 and has never been placed under income tax audit. Federal tax returns are open for examination for tax years from 2021. State tax returns are open for examination for tax years from 2020.

13. LEASES

The Company records right-of-use ("ROU") assets and lease liabilities for its real estate operating leases. Leases with an initial term of twelve months or less are not recorded on the balance sheet.

The following table presents the lease-related balances within the balance sheet:

(in thousands)	Balance Sheet Classification	December 31, 2024	December 31, 2023
Operating Leases			
Right-of-use assets	Other assets	$ 57,153	$ 62,873
Lease liabilities, current	Accounts payable and accrued liabilities	$ 13,548	$ 14,175
Lease liabilities, noncurrent	Other liabilities	$ 60,651	$ 66,803

Operating lease expense was $14.5 million, $14.7 million, and $14.8 million for the years ended December 31, 2024, 2023, and 2022, respectively, which includes variable lease expense. Cash paid for amounts included in the measurement of lease liabilities was $14.2 million and $14.0 million for the years ended December 31, 2024 and 2023, respectively.

Future minimum rental payments under non-cancellable operating leases are estimated as follows:

Year Ended December 31,	**(in thousands)**
2025	$ 13,548
2026	16,445
2027	17,099
2028	17,168
2029	17,238
Thereafter	20,881
Total lease payments	$ 102,379
Less: Imputed interest	28,180
Present value of lease liabilities	**$ 74,199**

Additional Information:	**December 31, 2024**
Weighted-average remaining lease term	6.2 years
Weighted-average discount rate	10.65 %

14. PROPERTY, EQUIPMENT AND CAPITALIZED SOFTWARE

The following table summarizes the balances of the Company’s property, equipment, and capitalized software:

(in thousands)	December 31, 2024	December 31, 2023
Property, equipment, and capitalized software		
Software and hardware	$ 148,260	$ 119,263
Leasehold improvements	26,386	25,301
Property and fixtures	6,248	5,443
Property, equipment, and capitalized software	180,894	150,007
Less: Accumulated depreciation and amortization	(114,101)	(88,077)
Property, equipment, and capitalized software, net	**$ 66,793**	**$ 61,930**

Depreciation and amortization expense for property, equipment, and capitalized software for the years ended December 31, 2024, 2023 and 2022 was $32.1 million, $30.7 million, and $15.3 million, respectively.

15. BUSINESS ARRANGEMENTS

Variable Interest Entities

In the normal course of business, the Company enters into business arrangements with integrated health systems and several medical professional corporations that employ healthcare providers to deliver telemedical healthcare services to its covered member population in various states. The financial results of these entities are consolidated into the Company's financial statements.

The following table presents the collective assets and liabilities of the Company's variable interest entities:

	As of December 31,	
(in thousands)	2024	2023
Assets	$ 102,550	$ 90,683
Liabilities	$ 63,114	$ 58,332

16. STOCKHOLDERS' EQUITY

Common Stock

The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting, conversion, and transfer rights.

Voting Rights

Holders of the Company’s Class A common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, and holders of the Company’s Class B common stock are entitled to 20 votes for each share held on all matters submitted to a vote of stockholders. The holders of the Company’s Class A common stock and Class B common stock will vote together as a single class, unless otherwise required by law or under the Amended and Restated Certificate of Incorporation.

Conversion and Transfer

Each outstanding share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. Each share of Class B common stock will convert automatically into one share of Class A Common Stock upon any transfer, except for certain permitted transfers described in the Amended and Restated Certificate of Incorporation. All outstanding shares of Class B common stock will automatically convert into shares of Class A common stock on a one-for-one basis upon the date that is the earlier of (i) the transfer of Class B common stock to a person or entity that is not in the transferor’s permitted ownership group, as described in the Amended and Restated Certificate of Incorporation, (ii) March 2, 2028, or (iii) upon the occurrence of certain other events as described in the Amended and Restated Certificate of Incorporation.

Dividends

Common stockholders are entitled to receive dividends, as may be declared by the board of directors, if any.

17. STATUTORY REGULATIONS

The Company's insurance subsidiaries prepare financial statements in accordance with Statutory Accounting Principles ("SAP") prescribed or permitted by the insurance departments of their states of domicile. SAP are focused on the solvency of insurance companies and are designed to ensure that insurers maintain sufficient capital and surplus to meet their insurance-related obligations.

The Company's insurance subsidiaries are regulated by the state insurance departments of the states in which they are domiciled. Statutory regulations include the establishment of minimum levels of statutory capital to be maintained by insurance subsidiaries and restrictions on dividend payments and other distributions made by the insurance subsidiaries to the parent company. Minimum statutory capital requirements differ by state and are based on minimum risk-based capital ("RBC") requirements developed by the National Association of Insurance Commissioners ("NAIC").

As of December 31, 2024, the Company's insurance subsidiaries are estimated to have an aggregate statutory capital and surplus of approximately $1,242.7 million. As of December 31, 2023, the Company's insurance subsidiaries had an aggregate statutory capital and surplus of $800.6 million. Individually, each of the Company's insurance subsidiaries is projected to exceed the minimum required statutory capital and surplus and RBC minimum requirements.

18. RELATED PARTY TRANSACTIONS

In February 2022, the Company issued the 2031 Notes to funds affiliated with or advised by Dragoneer Investment Group, LLC, Thrive Capital Management, LLC, LionTree Investment Management, LLC and Tenere Capital LLC (collectively, the “Purchasers”). See Note 9 - Debt for additional information. In addition, pursuant to the Investment Agreement entered into with the Purchasers, the Company agreed to amend the Twelfth Amended and Restated Investors' Rights Agreement dated as of March 5, 2021 (the “Investors' Rights Agreement”), by and among the Company and the investors party thereto, to provide that the Notes and shares of Class A common stock issued or issuable upon conversion of any 2031 Notes held by entities affiliated with Thrive Capital will be subject to the registration rights contained in the Investors' Rights Agreement.

19. COMMITMENTS AND CONTINGENCIES

The Company's current and past business practices are subject to review or other investigations by various state insurance and healthcare regulatory authorities and other state and federal regulatory authorities. These reviews focus on numerous facets of the Company's business, including claims payment practices, statutory capital requirements, provider contracting, risk adjustment, competitive practices, commission payments, privacy issues, network adequacy, utilization management practices, pharmacy benefits, access to care, and sales practices, among others. Some of these reviews have historically resulted in fines imposed on the Company and some have required changes to certain of the Company's practices. The Company continues to be subject to these reviews, which could result in additional fines or other sanctions being imposed on the Company or additional changes to certain of its practices.

The Company is also currently involved in, and may in the future from time to time become involved in, legal proceedings and other claims in the ordinary course of its business, including class actions and suits brought by the Company's members, providers, commercial counterparties, employees, and other parties relating to the Company's business, including management and administration of health benefit plans and other services. Such matters can include claims relating to the performance of contractual and non-contractual obligations to providers, members, employer groups, and others, including, but not limited to, the alleged failure to properly pay in-network and out-of-network claims and challenges to the manner in which the Company processes claims, various employment claims, disputes regarding reinsurance arrangements, disputes relating to intellectual property, privacy, the Telephone Consumer Protection Act and class action lawsuits, or other, and claims alleging that the Company has engaged in unfair business practices.

In addition, 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 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 initial complaint in the Securities Action asserted violations of Sections 11 and 15 of the Securities Act based on the Company's purported failure to disclose in its IPO registration statement growing COVID-19 testing and treatment costs, the impact of significant Special Enrollment Period membership, and risk adjustment data validation results for 2019 and 2020. By Court orders dated September 27, 2022 and December 13, 2022, the Court appointed a lead plaintiff and lead counsel on behalf of the putative class. An amended complaint filed on December 6, 2022 asserts the same violations of Sections 11 and 15 of the Securities Act, but this time based on the Company's alleged failure to disclose in its IPO registration statement purportedly inadequate controls and systems in connection with the risk adjustment data validation audit for 2019, alleging that this purported 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. On April 4, 2023, the Company moved to dismiss the amended complaint. Briefing on the motion was completed on July 7, 2023. The Company believes it has meritorious defenses to these claims. At this time, the Company cannot predict the outcome, or provide a reasonable estimate or range of estimates of the possible outcome or loss, if any, in this matter.

The Company records liabilities for its reasonable estimates of probable losses resulting from these matters where appropriate. Estimates of losses resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters: involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable that a loss may be incurred, the ultimate settlement of which could be material.

Given that such proceedings are subject to uncertainty, there can be no assurance that such legal proceedings, either individually or in the aggregate, will not have a material adverse effect on Oscar's business, results of operations, financial condition or cash flows.

20. SEGMENT INFORMATION

The Company operates in and reports as a single reportable segment as the CODM does not evaluate profitability nor evaluate performance or allocate resources below the level of the consolidated Company. The accounting policies of the segment are the same as those described in the summary of significant accounting policies. The CODM reviews Net income (loss) attributable to Oscar Health, Inc. and Adjusted EBITDA presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. These metrics serve as benchmarks to evaluate the business, measure performance, identify trends, prepare financial projections, and make strategic decisions. The CODM does not evaluate performance or allocate resources based on segment assets data; therefore, total segment assets are not presented. As part of the adoption of ASU 2023-07, the prior years' segment information has been disclosed herein to align with the current year's presentation.

The following table presents the revenue, significant expenses, and net income (loss) for the Company's segment. As the Company operates and reports as a single segment, its measure of segment net income (loss) is the same as Net income (loss) attributable to Oscar Health, Inc. on the Consolidated Statements of Operations.

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Total Revenue	**$ 9,177,564**	**$ 5,862,869**	**$ 3,963,638**
Less:			
Medical expenses	7,332,589	4,642,024	3,280,798
Selling, general, and administrative expenses:			
Member acquisition and servicing costs (1)	747,627	540,135	679,464
Premium taxes, exchange fees, and other taxes and fees (2)	432,290	289,388	281,518
All other SG&A (3)	575,648	596,243	296,442
Total Selling, general, and administrative expenses	1,755,565	1,425,766	1,257,424
Depreciation and amortization	32,145	30,694	15,283
Earnings (loss) from operations	**57,265**	**(235,615)**	**(589,867)**
Interest expense	23,734	24,603	22,623
Other expense (income)	105	7,082	(2,415)
Earnings (loss) before income taxes	**33,426**	**(267,300)**	**(610,075)**
Income tax expense (benefit)	7,305	3,294	(523)
Net income (loss) attributable to noncontrolling interests	689	134	(3,277)
Net income (loss) attributable to Oscar Health, Inc.	**$ 25,432**	**$ (270,728)**	**$ (606,275)**

(1) Member acquisition and servicing costs include the Company's expenses incurred to acquire, service, and fulfill obligations to members.

(2) Premium taxes, exchange fees, and other taxes and fees represent non-income tax charges from federal and state governments, including but not limited to healthcare exchange user fees and premium taxes.

(3) All other SG&A includes employee-related and administrative costs that are not member-based. Additionally, all other SG&A includes the net impact of quota share reinsurance accounted for under deposit accounting.

Significant Customers

The Company generates the majority of its total revenue from health insurance policy premiums, which primarily comes from subsidies received from CMS as part of the APTC program.

Oscar Health, Inc.
Schedule I - Condensed Balance Sheets (Parent-Only)

(in thousands, except per share amounts)	December 31, 2024	December 31, 2023
Assets:		
Cash and cash equivalents	$ 97,384	$ 171,940
Restricted deposits and investments	9,086	23,589
Investments in and advances to subsidiaries	1,207,848	925,926
Other assets	11,801	5,990
Total Assets	**$ 1,326,119**	**$ 1,127,445**
Liabilities and Stockholders' Equity		
Long-term debt	$ 299,555	$ 298,777
Other liabilities	12,978	24,701
Total liabilities	**312,533**	**323,478**
Commitments and contingencies		
Stockholders' Equity		
Class A common stock $0.00001 par value; 825,000 thousand shares authorized, 214,974 thousand and 193,875 thousand shares outstanding as of December 31, 2024 and 2023, respectively	2	2
Class B common stock, $0.00001 par value; 82,500 thousand shares authorized, 35,514 thousand shares outstanding as of December 31, 2024 and 2023, respectively	—	—
Treasury stock (315 thousand shares as of December 31, 2024 and 2023)	(2,923)	(2,923)
Additional paid-in capital	3,869,617	3,682,294
Accumulated deficit	(2,851,283)	(2,876,715)
Accumulated other comprehensive income (loss)	(1,827)	1,309
Total Oscar Health, Inc. Stockholders' Equity	1,013,586	803,967
Total Liabilities and Stockholders' Equity	**$ 1,326,119**	**$ 1,127,445**

Oscar Health, Inc.
Schedule I - Condensed Statements of Operations (Parent-Only)

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Revenue			
Investment income and other revenue	$ 16,714	$ 20,253	$ 8,274
Total revenue	**16,714**	**20,253**	**8,274**
Operating Expenses			
General and administrative expenses	118,566	106,387	60,130
Interest expense	23,697	24,577	22,583
Other expenses (income)	110	7,081	(2,415)
Loss before income tax (benefit) expense and equity in net loss of subsidiaries	(125,659)	(117,792)	(72,024)
Income tax (benefit) provision	(34,777)	(7,870)	2,703
Loss before equity in net loss of subsidiaries	**(90,882)**	**(109,922)**	**(74,727)**
Equity in net income (loss) of subsidiaries	116,314	(160,806)	(531,548)
Net income (loss) attributable to Oscar Health, Inc.	**$ 25,432**	**$ (270,728)**	**$ (606,275)**

Oscar Health, Inc.
Schedule I - Condensed Statements of Comprehensive Income (Parent-Only)

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Net income (loss) attributable to Oscar Health, Inc.	**$ 25,432**	**$ (270,728)**	**$ (606,275)**
Other comprehensive income (loss), net of tax:			
Net unrealized gains (losses) on securities available for sale	(3,136)	11,024	(6,044)
Comprehensive income (loss) attributable to Oscar Health, Inc.	**$ 22,296**	**$ (259,704)**	**$ (612,319)**

Oscar Health, Inc.
Schedule I - Condensed Statements of Cash Flows (Parent-Only)

(in thousands)	Year Ended December 31, 2024	2023	2022
Net cash (used in) provided by operating activities	**$ 2,103**	**$ 9,055**	**$ (3,957)**
Cash flows from investing activities:			
Investments in subsidiaries	(159,628)	(149,025)	(652,008)
Purchase of investments	(2,409)	—	—
Purchase of fixed maturity securities	—	—	(138,919)
Sale of investments	—	(15,775)	295,316
Maturity of investments	16,990	306,511	155,578
Net cash (used in) provided by investing activities	**(145,047)**	**141,711**	**(340,033)**
Cash flows from financing activities:			
Proceeds from long-term debt	—	—	305,000
Proceeds from joint venture contribution	—	2,490	1,846
Proceeds from exercise of stock options	68,388	3,956	1,299
Payment of debt issuance costs	—	—	(7,035)
Net cash provided by financing activities	**68,388**	**6,446**	**301,110**
Increase (decrease) in cash, cash equivalents and restricted cash equivalents	**(74,556)**	**157,212**	**(42,880)**
Cash, cash equivalents, restricted cash and cash equivalents—beginning of period	171,940	14,728	57,608
Cash, cash equivalents, restricted cash and cash equivalents—end of period	**$ 97,384**	**$ 171,940**	**$ 14,728**

Item 9. Changes in and Disagreements with Accountants and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) are designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Annual Report on Form 10-K, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Management’s Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are made only in accordance with authorizations of management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2024 using criteria established in *Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)*. Based on that evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2024.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Refer to “Item 8. Financial Statements and Supplementary Data - Report of Independent Registered Public Accounting Firm (PCAOB ID 238)” for their audit report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

(a) None.

(b) On November 11, 2024, Mark T. Bertolini, the Company’s Chief Executive Officer, in accordance with the Company’s standard practice for employees and executive officers, entered into the Company’s form of sell-to-cover instruction that is intended to satisfy the affirmative defense of Rule 10b5-1(c), providing for sales of a number of shares of Class A common stock as is necessary to cover tax withholding obligations incurred in connection with the vesting or settlement of restricted stock units held by Mr. Bertolini. The instruction will remain in effect so long as Mr. Bertolini is subject to such tax obligations, unless earlier terminated. The total number of shares of Class A common stock that may be sold pursuant to the instruction is not determinable.

On December 6, 2024, Ranmali Bopitiya, the Company's Chief Legal Officer, entered into a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) for the sale of up to 98,411 shares of the Company’s Class A common stock by September 7, 2025.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included in our definitive proxy statement for our 2025 Annual Meeting of Stockholders, and such information is incorporated herein by reference.

Item 11. Executive Compensation

The information required by this item will be included in our definitive proxy statement for our 2025 Annual Meeting of Stockholders, and such information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be included in our definitive proxy statement for our 2025 Annual Meeting of Stockholders, and such information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item will be included in our definitive proxy statement for our 2025 Annual Meeting of Stockholders, and such information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item will be included in our definitive proxy statement for our 2025 Annual Meeting of Stockholders, and such information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements.

The financial statements required by this item are listed in Part II, Item 8 – "Financial Statements and Supplementary Data" attached hereto and are filed as part of this Annual Report on Form 10-K.

(a)(2) Financial Statement Schedules.

Schedule I. Condensed Financial Information of Parent Company
As of December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022

Other than Schedule I included in Part II, Item 8 – "Financial Statements and Supplementary Data," all financial statement schedules have been omitted because they are not required, are not applicable or the required information is included in the Consolidated Financial Statements or the notes thereto.

(a)(3) Exhibits.

The following is a list of exhibits filed as part of this Annual Report on Form 10-K.

		Incorporated by Reference				
Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
3.1	Amended and Restated Certificate of Incorporation.	8-K	001-40154	3.1	03/08/21	
3.2	Amended and Restated Bylaws.	8-K	001-40154	3.2	03/08/21	
4.1	Specimen Common Stock Certificate of Oscar Health, Inc.	S-1/A	333-252809	4.1	02/22/21	

4.2	Indenture, dated as of February 3, 2022, between Oscar Health, Inc. and U.S. Bank National Association, as Trustee.	8-K	001-40154	4.1	02/04/22	
4.3	Form of certificate representing the 7.25% Convertible Senior Notes due 2031 (included as Exhibit A to Exhibit 4.2).	8-K	001-40154	4.2	02/04/22	
4.4	Thirteenth Amended and Restated Investors' Rights Agreement, dated as of May 3, 2022, by and among Oscar Health, Inc. and the investors party thereto	10-Q	001-40154	4.2	08/12/22	
4.5	Description of Capital Stock.	10-K	001-40154	4.5	02/24/23	
10.1†	Oscar Health, Inc. Amended and Restated 2012 Stock Plan.	10-Q	001-40154	10.1	05/14/21	
10.2†	Form of Stock Option Award Agreement (Early Exercise) under 2012 Stock Incentive Plan.	S-1	333-252809	10.6	02/05/21	
10.3†	Form of Stock Option Award Agreement (Installment Exercise) under 2012 Stock Incentive Plan.	S-1	333-252809	10.7	02/05/21	
10.4†	Oscar Health, Inc. 2021 Incentive Award Plan.					*
10.5†	Form of Stock Option Award Agreement under 2021 Incentive Award Plan.					*
10.6†	Form of Restricted Stock Unit Award Agreement under 2021 Incentive Award Plan.	S-1/A	333-252809	10.13	02/22/21	
10.7	Form of Performance Restricted Stock Unit Award Agreement under 2021 Incentive Award Plan.	10-Q	001-40154	10.1	05/07/24	
10.8†	2024 Form of Restricted Stock Unit Award Agreement (Retirement Eligible) under 2021 Incentive Award Plan	10-K	001-40154	10.5	02/15/24	
10.9†	2024 Form of Restricted Stock Unit Award Agreement (Non-Retirement Eligible) under 2021 Incentive Award Plan	10-K	001-40154	10.6	02/15/24	
10.10†	Oscar Health, Inc. 2021 Employee Stock Purchase Plan.					*
10.11†	Oscar Health, Inc. 2022 Employee Inducement Incentive Award Plan	S-8	333-264205	99.1	04/08/22	
10.12†	First Amendment to the Oscar Health, Inc. 2022 Employment Inducement Incentive Award Plan	S-8	333-270890	99.2	03/28/23	
10.13†	Form of Restricted Stock Unit Award Agreement under 2022 Inducement Award Plan.	10-K	001-40154	10.8	02/24/23	
10.14†	Employment Agreement, by and between Oscar Health, Inc. and Mark T. Bertolini, dated March 28, 2023.	10-Q	001-40154	10.1	05/10/23	
10.15†	Employment Agreement, by and between Oscar Health, Inc. and Mario Schlosser, dated March 28, 2023.	10-Q	001-40154	10.2	05/10/23	
10.16†	Employment Agreement, by and between Oscar Health, Inc. (formerly Mulberry Management Corporation) and R. Scott Blackley, dated December 5, 2020.	S-1	333-252809	10.20	02/05/21	
10.17†	Amendment to Employment Agreement, by and between Oscar Health, Inc., Oscar Management Corporation and R. Scott Blackley, dated July 13, 2021.	10-Q	001-40154	10.1	08/13/21	
10.18†	Amendment to Employment Agreement, by and between Oscar Health, Inc., Oscar Management Corporation and R. Scott Blackley, dated November 8, 2022	10-Q	001-40154	10.2	11/09/22	
10.19†	Letter Agreement dated as of August 2, 2023, by and among Oscar Health, Inc., Oscar Management Corporation and R. Scott Blackley.	10-Q	001-40154	10.2	08/09/23	

10.20†	Employment Agreement, by and between Oscar Health, Inc., Oscar Management Corporation (formerly Mulberry Management Corporation) and Alessandrea Quane, in effect as of March 1, 2021.	10-K	001-40154	10.11	02/25/22	
10.21†	Employment Agreement, by and among Oscar Health, Inc., Oscar Management Corporation and Ranmali Bopitiya, effective January 31, 2022	10-K	001-40154	10.17	02/24/23	
10.22†	Amended Non-Employee Director Compensation Program.					*
10.23†	Form of Indemnification Agreement.	S-1	333-252809	10.28	02/05/21	
10.24†	Amended and Restated Deferred Compensation Plan for Directors.					*
10.25†	Form of Deferred Restricted Stock Unit Award Agreement (Directors)					*
10.26X	Investment Agreement, dated as of January 27, 2022, by and among Oscar Health, Inc. and Oasis FD Holdings, LP., Thrive Capital Partners VII Growth, L.P., Claremount VII Associates, L.P., LionTree Investment Fund, L.P. and Tenere Capital Master Fund, LP.	8-K	001-40154	10.1	01/28/22	
10.27X	Credit Agreement, dated as of February 21, 2021, as amended by the First Amendment to Credit Agreement, dated as of January 27, 2022, the Second Amendment to Credit Agreement, dated as of July 21, 2023, and the Third Amendment, dated as of December 28, 2023, by and among Oscar Health, Inc., as borrower, the several lenders from time to time parties thereto, and Wells Fargo Bank, National Association, as administrative agent, among others.	8-K	001-40154	10.1	12/29/23	
19.1	Insider Trading Policy					*
21.1	List of Subsidiaries of Oscar Health, Inc.					*
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.					*
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.					*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.					*
32.1	Section 1350 Certification of Chief Executive Officer.					**
32.2	Section 1350 Certification of Chief Financial Officer.					**
97.1	Oscar Health, Inc. Policy for Recovery of Erroneously Awarded Compensation	10-K	001-40154	97.1	02/15/24	
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					*
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).					*

* Filed herewith.
** Furnished herewith.
† Indicates management contract or compensatory plan.
+ Certain portions of this exhibit (indicated by "####") have been redacted pursuant to Regulation S-K, Item 601(a)(6).
X Certain schedules (or similar attachments) to this exhibit have been omitted pursuant to Regulation S-K, Item 601(a)(5). The registrant agrees to furnish a copy of any omitted schedule (or similar attachment) to the Securities and Exchange Commission upon request.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OSCAR HEALTH, INC.

Date: February 20, 2025

By: /s/ Mark T. Bertolini
Mark T. Bertolini
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Mark T. Bertolini **Mark T. Bertolini**	Chief Executive Officer and Director *(principal executive officer)*	February 20, 2025
/s/ R. Scott Blackley **R. Scott Blackley**	Chief Financial Officer *(principal financial officer)*	February 20, 2025
/s/ Victoria Baltrus **Victoria Baltrus**	Chief Accounting Officer *(principal accounting officer)*	February 20, 2025
/s/ Jeffery H. Boyd **Jeffery H. Boyd**	Chairman of the Board and Director	February 20, 2025
/s/ Joshua Kushner **Joshua Kushner**	Vice Chairman of the Board and Director	February 20, 2025
/s/ Mario Schlosser **Mario Schlosser**	President of Technology and Director	February 20, 2025
/s/ William Gassen, III **William Gassen, III**	Director	February 20, 2025

/s/ Laura Lang **Laura Lang**	Director	February 20, 2025
/s/ David Plouffe **David Plouffe**	Director	February 20, 2025
/s/ Elbert O. Robinson, Jr. **Elbert O. Robinson, Jr.**	Director	February 20, 2025
/s/ Siddhartha Sankaran **Siddhartha Sankaran**	Director	February 20, 2025
/s/ Vanessa A. Wittman **Vanessa A. Wittman**	Director	February 20, 2025

Exhibit 10.4

OSCAR HEALTH, INC.

2021 INCENTIVE AWARD PLAN

ARTICLE I. PURPOSE

The Plan's purpose is to enhance the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing these individuals with equity ownership opportunities and/or equity-linked compensatory opportunities. Capitalized terms used in the Plan are defined in Article XI.

ARTICLE II. ELIGIBILITY

Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein.

ARTICLE III. ADMINISTRATION AND DELEGATION

3.1 Administration. The Plan is administered by the Administrator. The Administrator has authority to determine which Service Providers receive Awards, grant Awards and set Award terms and conditions, subject to the conditions and limitations in the Plan. The Administrator also has the authority to take all actions and make all determinations under the Plan, to interpret the Plan and Award Agreements and to adopt, amend and repeal Plan administrative rules, guidelines and practices as it deems advisable. The Administrator may correct defects and ambiguities, supply omissions and reconcile inconsistencies in the Plan or any Award Agreement as it deems necessary or appropriate to administer the Plan and any Awards. The Administrator's determinations under the Plan are in its sole discretion and will be final and binding on all persons having or claiming any interest in the Plan or any Award.

3.2 Appointment of Committees. To the extent Applicable Laws permit, the Board or the Administrator may delegate any or all of its powers under the Plan to one or more Committees or committees of officers of the Company or any of its Subsidiaries. The Board or the Administrator, as applicable, may rescind any such delegation, abolish any such committee or Committee and/or re-vest in itself any previously delegated authority at any time.

ARTICLE IV. STOCK AVAILABLE FOR AWARDS

4.1 Number of Shares. Subject to adjustment under Article VIII and the terms of this Article IV, Awards may be made under the Plan covering up to the Overall Share Limit. As of the Effective Date, the Company will cease granting awards under the Prior Plan; however, Prior Plan Awards will remain subject to the terms of the applicable Prior Plan. Shares issued under the Plan (i) may consist of authorized but unissued Shares, Shares purchased on the open market or treasury Shares and (ii) may be issued as Shares of Class A Common Stock or Shares of Class B Common Stock, as determined by the Administrator in its sole discretion and to the extent such class of Common Stock exists from time to time.

4.2 Share Recycling. If all or any part of an Award or a Prior Plan Award expires, lapses or is terminated, exchanged for or settled in cash, surrendered, repurchased, canceled without having been fully exercised or forfeited, in any case, in a manner that results in the Company acquiring Shares covered by the Award or Prior Plan Award at a price not greater than the price (as adjusted to reflect any Equity Restructuring) paid by the Participant for such Shares or not issuing any Shares covered by the Award or Prior Plan Award, the unused Shares covered by the Award will, as applicable, become or again be available for Award grants under the Plan. Further, Shares delivered (either by actual delivery or attestation) to the Company by a Participant to satisfy the applicable exercise or purchase price of an Award or Prior Plan Award and/or to satisfy any applicable tax withholding obligation with respect to an Award or Prior Plan Award (including Shares retained by the Company from the Award or Prior Plan Award being exercised or purchased and/or creating the tax obligation) will, as applicable, become or again be available for Award grants under the Plan. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not count against the Overall Share Limit. Notwithstanding anything to the contrary contained herein, the following Shares shall not be added to the Shares authorized for grant under Section 4.1 and shall not be available for future grants of Awards: (a) Shares subject to a Stock Appreciation Right that are not issued in connection with the stock settlement of the Stock Appreciation Right on exercise thereof; and Shares purchased on the open market with the cash proceeds from the exercise of Options.

4.3 Incentive Stock Option Limitations. Notwithstanding anything to the contrary herein, no more than 100,000,000 Shares may be issued pursuant to the exercise of Incentive Stock Options (any or all of which may be granted with respect to Shares of Class A Common Stock and/or Shares of Class B Common Stock).

4.4 Substitute Awards. In connection with an entity's merger or consolidation with the Company or the Company's acquisition of an entity's property or stock, the Administrator may grant Awards in substitution for any options or other stock or stock-based awards granted before such merger or consolidation by such entity or its affiliate. Substitute Awards may be granted on such terms as the Administrator deems appropriate, notwithstanding limitations on Awards in the Plan. Substitute Awards will not count against the Overall Share Limit (nor shall Shares subject to a Substitute Award be added to the Shares available for Awards under the Plan as provided above), except that Shares acquired by exercise of substitute Incentive Stock Options will count against the maximum number of Shares that may be issued pursuant to the exercise of Incentive Stock Options under the Plan. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan (and Shares subject to such Awards shall not be added to the Shares available for Awards under the Plan as provided above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees, Consultants or Directors prior to such acquisition or combination.

4.5 Non-Employee Director Compensation. Notwithstanding any provision to the contrary in the Plan, the Administrator may establish compensation for non-employee Directors from time to time, subject to the limitations in the Plan. The Administrator will from time to time determine the terms, conditions and amounts of all such non-employee Director compensation in its discretion and pursuant to the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time; provided that, commencing with the calendar year following the calendar year in which the Effective Date occurs, the sum of any cash compensation, or other compensation, and the value (determined as of the grant date in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor thereto) of Awards granted to a non-employee Director as compensation for services as a non-employee Director during any fiscal year of the Company may not exceed $750,000, increased to $1,000,000 in the fiscal year of a non-employee Director's initial service as a non-employee Director (which limits shall not apply to the compensation for any non-employee Director of the Company who serves in any capacity in addition to that of a non-employee Director for which he or she receives additional compensation).

ARTICLE V. STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

5.1 General. The Administrator may grant Options or Stock Appreciation Rights to Service Providers subject to the limitations in the Plan, including any limitations in the Plan that apply to Incentive Stock Options. The Administrator will determine the number of Shares covered by each Option and Stock Appreciation Right, the exercise price of each Option and Stock Appreciation Right and the conditions and limitations applicable to the exercise of each Option and Stock Appreciation Right. A Stock Appreciation Right will entitle the Participant (or other person entitled to exercise the Stock Appreciation Right) to receive from the Company upon exercise of the exercisable portion of the Stock

Appreciation Right an amount determined by multiplying the excess, if any, of the Fair Market Value of one Share on the date of exercise over the exercise price per Share of the Stock Appreciation Right by the number of Shares with respect to which the Stock Appreciation Right is exercised, subject to any limitations of the Plan or that the Administrator may impose and payable in cash, Shares valued at Fair Market Value or a combination of the two as the Administrator may determine or provide in the Award Agreement.

5.2 Exercise Price. The Administrator will establish each Option's and Stock Appreciation Right's exercise price and specify the exercise price in the Award Agreement. The exercise price will not be less than 100% of the Fair Market Value on the grant date of the Option or Stock Appreciation Right.

5.3 Duration. Each Option or Stock Appreciation Right will be exercisable at such times and as specified in the Award Agreement, provided that the term of an Option or Stock Appreciation Right will not exceed ten years. Notwithstanding the foregoing and unless determined otherwise by the Company, in the event that on the last business day of the term of an Option or Stock Appreciation Right (other than an Incentive Stock Option) (i) the exercise of the Option or Stock Appreciation Right is prohibited by Applicable Law, as determined by the Company, or (ii) Shares may not be purchased or sold by the applicable Participant due to any Company insider trading policy (including blackout periods) or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term of the Option or Stock Appreciation Right shall be extended until the date that is 30 days after the end of the legal prohibition, black-out period or lock-up agreement, as determined by the Company; provided, however, in no event shall the extension last beyond the ten year term of the applicable Option or Stock Appreciation Right. Notwithstanding the foregoing, to the extent permitted under Applicable Laws, if the Participant, prior to the end of the term of an Option or Stock Appreciation Right, violates the non-competition, non-solicitation, confidentiality or other similar restrictive covenant provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company or any of its Subsidiaries, the right of the Participant and the Participant's transferees to exercise any Option or Stock Appreciation Right issued to the Participant shall terminate immediately upon such violation, unless the Company otherwise determines.

5.4 Exercise. Options and Stock Appreciation Rights may be exercised by delivering to the Company a written notice of exercise, in a form the Administrator approves (which may be electronic), signed by the person authorized to exercise the Option or Stock Appreciation Right, together with, as applicable, payment in full (i) as specified in Section 5.5 for the number of Shares for which the Award is exercised and (ii) as specified in Section 9.5 for any applicable taxes. Unless the Administrator otherwise determines, an Option or Stock Appreciation Right may not be exercised for a fraction of a Share.

5.5 Payment Upon Exercise. Subject to Section 10.8, any Company insider trading policy (including blackout periods) and Applicable Laws, the exercise price of an Option must be paid by:

(a) cash, wire transfer of immediately available funds or by check payable to the order of the Company, provided that the Company may limit the use of one of the foregoing payment forms if one or more of the payment forms below is permitted;

(b) if there is a public market for Shares at the time of exercise, unless the Company otherwise determines, (A) delivery (including electronically or telephonically to the extent permitted by the Company) of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price, or (B) the Participant's delivery to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; provided that such amount is paid to the Company at such time as may be required by the Administrator;

(c) to the extent permitted by the Administrator, delivery (either by actual delivery or attestation) of Shares owned by the Participant valued at their Fair Market Value;

(d) to the extent permitted by the Administrator, surrendering Shares then issuable upon the Option's exercise valued at their Fair Market Value on the exercise date;

(e) to the extent permitted by the Administrator, delivery of a promissory note or any other property that the Administrator determines is good and valuable consideration; or

(f) to the extent permitted by the Company, any combination of the above payment forms approved by the Administrator.

5.6 Additional Terms of Incentive Stock Options. The Administrator may grant Incentive Stock Options only to employees of the Company, any of its present or future parent or subsidiary corporations, as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. If an Incentive Stock Option is granted to a Greater Than 10% Stockholder, the exercise price will not be less than 110% of the Fair Market Value on the Option's grant date, and the term of the Option will not exceed five years. All Incentive Stock Options will be subject to and construed consistently with Section 422 of the Code. By accepting an Incentive Stock Option, the Participant agrees to give prompt notice to the Company of dispositions or other transfers (other than in connection with a Change in Control) of Shares acquired under the Option made within (i) two years from the grant date of the Option or (ii) one year after the transfer of such Shares to the Participant, specifying the date of the disposition or other transfer and the amount the Participant realized, in cash, other property, assumption of indebtedness or other consideration, in such disposition or other transfer. Neither the Company nor the Administrator will be liable to a Participant, or any other party, if an Incentive Stock Option fails or ceases to qualify as an "incentive stock option" under Section 422 of the Code. Any Incentive Stock Option or portion thereof that fails to qualify as an "incentive stock option" under Section 422 of the Code for any reason, including becoming exercisable with respect to Shares having a fair market value exceeding the $100,000 limitation under Treasury Regulation Section 1.422-4, will be a Non-Qualified Stock Option.

ARTICLE VI. RESTRICTED STOCK; RESTRICTED STOCK UNITS; DIVIDEND EQUIVALENTS

6.1 General. The Administrator may grant Restricted Stock, or the right to purchase Restricted Stock, to any Service Provider, subject to the Company's right to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant (or to require forfeiture of such shares) if conditions the Administrator specifies in the Award Agreement are not satisfied before the end of the applicable restriction period or periods that the Administrator establishes for such Award. In addition, the Administrator may grant to Service Providers Restricted Stock Units, which may be subject to vesting and forfeiture conditions during the applicable restriction period or periods, as set forth in an Award Agreement. The Administrator will determine and set forth in the Award Agreement the terms and conditions for each Restricted Stock and Restricted Stock Unit Award, subject to the conditions and limitations contained in the Plan.

6.2 Restricted Stock.

(a) Dividends. Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such Shares, unless the Administrator provides otherwise in the Award Agreement. In addition, unless the Administrator provides otherwise, if any dividends or distributions are paid in Shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the Shares or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid.

(b) Stock Certificates. The Company may require that the Participant deposit in escrow with the Company (or its designee) any stock certificates issued in respect of shares of Restricted Stock, together with a stock power endorsed in blank.

6.3 Restricted Stock Units.

(a) Settlement. The Administrator may provide that settlement of Restricted Stock Units will occur upon or as soon as reasonably practicable after the Restricted Stock Units vest or will instead be deferred, on a mandatory basis or at the Participant's election, in a manner intended to comply with Section 409A.

(b) Stockholder Rights. A Participant will have no rights of a stockholder with respect to Shares subject to any Restricted Stock Unit unless and until the Shares are delivered in settlement of the Restricted Stock Unit.

6.4 Dividend Equivalents. If the Administrator provides, a grant of Restricted Stock Units or Other Stock or Cash Based Award may provide a Participant with the right to receive Dividend Equivalents, and no Dividend Equivalents shall be payable with respect to Options or Stock Appreciation Rights. Dividend Equivalents may be paid currently or credited to an account for the Participant, settled in cash or Shares and subject to the same restrictions on transferability and forfeitability as the Restricted Stock Units with respect to which the Dividend Equivalents are granted and subject to other terms and conditions as set forth in the Award Agreement.

ARTICLE VII. OTHER STOCK OR CASH BASED AWARDS

Other Stock or Cash Based Awards may be granted to Participants, including Awards entitling Participants to receive Shares to be delivered in the future and including annual or other periodic or long-term cash bonus awards (whether based on specified Performance Criteria or otherwise), in each case subject to any conditions and limitations in the Plan. Such Other Stock or Cash Based Awards will also be available as a payment form in the settlement of other Awards, as standalone payments and as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock or Cash Based Awards may be paid in Shares, cash or other property, as the Administrator determines. Subject to the provisions of the Plan, the Administrator will determine the terms and conditions of each Other Stock or Cash Based Award, including any purchase price, performance goal(s) (which may be based on the Performance Criteria), transfer restrictions, and vesting conditions, which will be set forth in the applicable Award Agreement.

ARTICLE VIII. ADJUSTMENTS FOR CHANGES IN COMMON STOCK AND CERTAIN OTHER EVENTS

8.1 Equity Restructuring.

(a) In connection with any Equity Restructuring, notwithstanding anything to the contrary in this Article VIII, the Administrator will equitably adjust each outstanding Award as it deems appropriate to reflect the Equity Restructuring, which may include adjusting the number and type of securities subject to each outstanding Award and/or the Award's exercise price or grant price (if applicable), granting new Awards to Participants, and making a cash payment to Participants. The adjustments provided under this Section 8.1 will be nondiscretionary and final and binding on the affected Participant and the Company; provided that the Administrator will determine whether an adjustment is equitable.

8.2 Corporate Transactions. In the event of any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), reorganization, merger, consolidation, combination, amalgamation, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, Change in Control, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, other similar corporate transaction or event, other unusual or nonrecurring transaction or event affecting the Company or its financial statements or any change in any Applicable Laws or accounting principles, the Administrator, on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event (except that action to give effect to a change in Applicable Law or accounting principles may be made within a reasonable period of time after such change) and either automatically or upon the Participant's request, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to (x) prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award granted or issued under the Plan, (y) to facilitate such transaction or event or (z) give effect to such changes in Applicable Laws or accounting principles:

(a) To provide for the cancellation of any such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights under the vested portion of such Award, as applicable; provided that, if the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then the Award may be terminated without payment;

(b) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

(c) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and/or applicable exercise or purchase price, in all cases, as determined by the Administrator;

(d) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Awards and/or with respect to which Awards may be granted under the Plan (including, but not limited to, adjustments of the limitations in Article IV hereof on the maximum number and kind of shares which may be issued) and/or in the terms and conditions of (including the grant or exercise price or applicable performance goals), and the criteria included in, outstanding Awards;

(e) To replace such Award with other rights or property selected by the Administrator; and/or

(f) To provide that the Award will terminate and cannot vest, be exercised or become payable after the applicable event.

8.3 Effect of Non-Assumption in a Change in Control. Notwithstanding the provisions of Section 8.2, if a Change in Control occurs and a Participant's Awards are not continued, converted, assumed, or replaced with a substantially similar award by (a) the Company, or (b) a successor entity or its parent or subsidiary (an "***Assumption***"), and provided that the Participant has not had a Termination of Service, then, immediately prior to the Change in Control, such Awards shall become fully vested, exercisable and/or payable, as applicable, and all forfeiture, repurchase and other restrictions on such Awards shall lapse, in which case, such Awards shall be canceled upon the consummation of the Change in Control in exchange for the right to receive the Change in Control consideration payable to other holders of Common Stock (i) which may be on such terms and conditions as apply generally to holders of Common Stock under the Change in Control documents (including, without limitation, any escrow, earn-out or other deferred consideration provisions) or such other terms and conditions as the Administrator may provide, and (ii) determined by reference to the number of shares subject to such Awards and net of any applicable exercise price; provided that to the extent that any Awards constitute "nonqualified deferred compensation" that may not be paid upon the Change in Control under Section 409A without the imposition of taxes thereon under Section 409A, the timing of such payments shall be governed by the applicable Award Agreement (subject to any deferred consideration provisions applicable under the Change in Control documents); and provided, further, that if the amount to which a Participant would be entitled upon the settlement or exercise of such Award at the time of the Change in Control is equal to or less than zero, then such Award may be terminated without payment. The Administrator shall determine whether an Assumption of an Award has occurred in connection with a Change in Control.

8.4 Administrative Stand Still. In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other extraordinary transaction or change affecting the Shares or the share price of Common Stock, including any Equity Restructuring or any securities offering or other similar transaction, for administrative convenience, the Administrator may refuse to permit the exercise of any Award for up to 60 days before or after such transaction.

8.5 General. Except as expressly provided in the Plan or the Administrator's action under the Plan, no Participant will have any rights due to any subdivision or consolidation of Shares of any class, dividend payment, increase or decrease in the number of Shares of any class or dissolution, liquidation, merger, or consolidation of the Company or other corporation. Except as expressly provided with respect to an Equity Restructuring under Section 8.1 or the Administrator's action under the Plan, no issuance by the Company of Shares of any class, or securities convertible into Shares of any class, will affect, and no adjustment will be made regarding, the number of Shares subject to an Award or the Award's grant or exercise price. The existence of the Plan, any Award Agreements and the Awards granted hereunder will not affect or restrict in any way the Company's right or power to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (ii) any merger, consolidation dissolution or liquidation of the Company or sale of Company assets or (iii) any sale or issuance of securities, including securities with rights superior to those of the Shares or securities convertible into or exchangeable for Shares. The Administrator may treat Participants and Awards (or portions thereof) differently under this Article VIII.

ARTICLE IX. GENERAL PROVISIONS APPLICABLE TO AWARDS

9.1 Transferability. Except as the Administrator may determine or provide in an Award Agreement or otherwise for Awards other than Incentive Stock Options, Awards may not be sold, assigned, transferred, pledged or otherwise encumbered, either voluntarily or by operation of law, except by will or the laws of descent and distribution, or, subject to the Administrator's consent, pursuant to a domestic relations order, and, during the life of the Participant, will be exercisable only by the Participant. Any permitted transfer of an Award hereunder shall be without consideration, except as required by Applicable Law. References to a Participant, to the extent relevant in the context, will include references to a Participant's authorized transferee that the Administrator specifically approves.

9.2 Documentation. Each Award will be evidenced in an Award Agreement, which may be written or electronic, as the Administrator determines. Each Award may contain terms and conditions in addition to those set forth in the Plan.

9.3 Discretion. Except as the Plan otherwise provides, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Participant need not be identical, and the Administrator need not treat Participants or Awards (or portions thereof) uniformly.

9.4 Termination of Status. The Administrator will determine how the disability, death, retirement, authorized leave of absence or any other change or purported change in a Participant's Service Provider status affects an Award and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award, if applicable.

9.5 Withholding. Each Participant must pay the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by Applicable Law to be withheld in connection with such Participant's Awards by the date of the event creating the tax liability. The Company may deduct an amount sufficient to satisfy such tax obligations based on the applicable statutory withholding rates (or such other rate as may be determined by the Company after considering any accounting consequences or costs) from any payment of any kind otherwise due to a Participant. In the absence of a contrary determination by the Company (or, with respect to withholding pursuant to clause (ii) below with respect to Awards held by individuals subject to Section 16 of the Exchange Act, a contrary determination by the Administrator), all tax withholding obligations will be calculated based on the minimum applicable statutory withholding rates. Subject to Section 10.8 and any Company insider trading policy (including blackout periods), Participants may satisfy such tax obligations (i) in cash, by wire transfer of immediately available funds, by check made payable to the order of the Company, provided that the Company may limit the use of the foregoing payment forms if one or more of the payment forms below is permitted, (ii) to the extent permitted by the Administrator, in whole or in part by delivery of Shares, including Shares delivered by attestation and Shares retained from the Award creating the tax obligation, valued at their Fair Market Value on the date of delivery, (iii) if there is a public market for Shares at the time the tax obligations are satisfied, unless the Company otherwise determines, (A) delivery (including electronically or telephonically to the extent permitted by the Company) of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to satisfy the tax obligations, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to satisfy the tax withholding; provided that such amount is paid to the Company at such time as may be required by the Administrator, or (iv) to the extent permitted by the Company, any combination of the foregoing payment forms approved by the Administrator. Notwithstanding any other provision of the Plan, the number of Shares which may be so delivered or retained pursuant to clause (ii) of the immediately preceding sentence shall be limited to the number of Shares which have a Fair Market Value on the date of delivery or retention no greater than the aggregate amount of such liabilities based on the maximum individual statutory tax rate in the applicable jurisdiction at the time of such withholding (or such other rate as may be required to avoid the liability classification of the applicable award under generally accepted accounting principles in the United States of America). If any tax withholding obligation will be satisfied under clause (ii) above by the Company's retention of Shares from the Award creating the tax obligation and there is a public market for Shares at the time the tax obligation is satisfied, the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on the applicable Participant's behalf some or all of the Shares retained and to remit the proceeds of the sale to the Company or its designee, and each Participant's acceptance of an Award under the Plan will constitute the Participant's authorization to the Company and instruction and authorization to such brokerage firm to complete the transactions described in this sentence.

9.6 Amendment of Award; Repricing. The Administrator may amend, modify or terminate any outstanding Award, including by substituting another Award of the same or a different type, changing the exercise or settlement date, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Participant's consent to such action will be required unless (i) the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Award, or (ii) the change is permitted under Article VIII or pursuant to Section 10.6. Notwithstanding the foregoing or anything in the Plan to the contrary, the Administrator may, without the approval of the stockholders of the Company, reduce the exercise price per share of outstanding Options or Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other Awards or Options or Stock Appreciation Rights with an exercise price per share that is less than the exercise price per share of the original Options or Stock Appreciation Rights.

9.7 Conditions on Delivery of Stock. The Company will not be obligated to deliver any Shares under the Plan or remove restrictions from Shares previously delivered under the Plan until (i) all Award conditions have been met or removed to the Company's satisfaction, (ii) as determined by the Company, all other legal matters regarding the issuance and delivery of such Shares have been satisfied, including any applicable securities laws and stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy any Applicable Laws. The Company's inability to obtain authority from any regulatory body having jurisdiction, which the Administrator determines is necessary to the lawful issuance and sale of any securities, will relieve the Company of any liability for failing to issue or sell such Shares as to which such requisite authority has not been obtained.

9.8 Acceleration. The Administrator may at any time provide that any Award will become immediately vested and fully or partially exercisable, free of some or all restrictions or conditions, or otherwise fully or partially realizable.

9.9 Cash Settlement. Without limiting the generality of any other provision of the Plan, the Administrator may provide, in an Award Agreement or subsequent to the grant of an Award, in its discretion, that any Award may be settled in cash, Shares or a combination thereof.

ARTICLE X. MISCELLANEOUS

10.1 No Right to Employment or Other Status. No person will have any claim or right to be granted an Award, and the grant of an Award will not be construed as giving a Participant the right to continued employment or any other relationship with the Company or any of its Subsidiaries. The Company and its Subsidiaries expressly reserve the right at any time to dismiss or otherwise terminate their respective relationship with a Participants free from any liability or claim under the Plan or any Award, except as expressly provided in an Award Agreement.

10.2 No Rights as Stockholder; Certificates. Subject to the Award Agreement, no Participant or Designated Beneficiary will have any rights as a stockholder with respect to any Shares to be distributed under an Award until becoming the record holder of such Shares. Notwithstanding any other provision of the Plan, unless the Administrator otherwise determines or Applicable Laws require, the Company will not be required to deliver to any Participant certificates evidencing Shares issued in connection with any Award and instead such Shares may be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator). The Company may place legends on stock certificates issued under the Plan that the Administrator deems necessary or appropriate to comply with Applicable Laws.

10.3 Effective Date and Term of Plan. Unless earlier terminated by the Board, the Plan will become effective on the day prior to the Public Trading Date and will remain in effect until the tenth anniversary of earlier of (i) the date the Board adopted the Plan or (ii) the date the Company's stockholders approved the Plan, but Awards previously granted may extend beyond that date in accordance with the Plan. Notwithstanding anything to the contrary in the Plan, an Incentive Stock Option may not be granted under the Plan after 10 years from the earlier of (i) the date the Board adopted the Plan or (ii) the date the Company's stockholders approved the Plan. If the Plan is not approved by the Company's stockholders, the Plan will not become effective and no Awards will be granted under the Plan and the Prior Plan will continue in full force and effect in accordance with its terms.

10.4 Amendment of Plan. The Administrator may amend, suspend or terminate the Plan at any time; provided that no amendment, other than an increase to the Overall Share Limit, may materially and adversely affect any Award outstanding at the time of such amendment without the affected Participant's consent. No Awards may be granted under the Plan during any suspension period or after the Plan's termination. Awards outstanding at the time of any Plan suspension or termination will continue to be governed by the Plan and the Award Agreement, as in effect before such suspension or termination. The Board will obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

10.5 Provisions for Foreign Participants. The Administrator may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

10.6 Section 409A.

(a) General. The Company intends that all Awards be structured to comply with, or be exempt from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply. Notwithstanding anything in the Plan or any Award Agreement to the contrary, the Administrator may, without a Participant's consent, amend this Plan or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and retroactive actions) as are necessary or appropriate to preserve the intended tax treatment of Awards, including any such actions intended to (A) exempt this Plan or any Award from Section 409A, or (B) comply with Section 409A, including regulations, guidance, compliance programs and other interpretative authority that may be issued after an Award's grant date. The Company makes no representations or warranties as to an Award's tax treatment under Section 409A or otherwise. The Company will have no obligation under this Section 10.6 or otherwise to avoid the taxes, penalties or interest under Section 409A with respect to any Award and will have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute noncompliant "nonqualified deferred compensation" subject to taxes, penalties or interest under Section 409A.

(b) Separation from Service. If an Award constitutes "nonqualified deferred compensation" under Section 409A, any payment or settlement of such Award upon a termination of a Participant's Service Provider relationship will, to the extent necessary to avoid taxes under Section 409A, be made only upon the Participant's "separation from service" (within the meaning of Section 409A), whether such "separation from service" occurs upon or after the termination of the Participant's Service Provider relationship. For purposes of this Plan or any Award Agreement relating to any such payments or benefits, references to a "termination," "termination of employment" or like terms means a "separation from service."

(c) Payments to Specified Employees. Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of "nonqualified deferred compensation" required to be made under an Award to a "specified employee" (as defined under Section 409A and as the Administrator determines) due to his or her "separation from service" will, to the extent necessary to avoid taxes under Section 409A(a)(2)(B)(i) of the Code, be delayed for the six-month period immediately following such "separation from service" (or, if earlier, until the specified employee's death) and will instead be paid (as set forth in the Award Agreement) on the day immediately following such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of "nonqualified deferred compensation" under such Award payable more than six months following the Participant's "separation from service" will be paid at the time or times the payments are otherwise scheduled to be made.

10.7 Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee or agent of the Company or any Subsidiary will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, and such individual will not be personally liable with respect to the Plan because of any contract or other instrument executed in his or her capacity as an Administrator, director, officer, other employee or agent of the Company or any Subsidiary. The Company will indemnify and hold harmless each director, officer, other employee and agent of the Company or any Subsidiary that has been or will be granted or delegated any duty or power relating to the Plan's administration or interpretation, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Administrator's approval) arising from any act or omission concerning this Plan unless arising from such person's own fraud or bad faith.

10.8 Lock-Up Period. The Company may, at the request of any underwriter representative or otherwise, in connection with registering the offering of any Company securities under the Securities Act, prohibit Participants from, directly or indirectly, selling or otherwise transferring any Shares or other Company securities during a period of up to 180 days following the effective date of a Company registration statement filed under the Securities Act, or such longer period as determined by the underwriter.

10.9 Data Privacy. As a condition for receiving any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this section by and among the Company and its Subsidiaries and affiliates exclusively for implementing, administering and managing the Participant's participation in the Plan. The Company and its Subsidiaries and affiliates may hold certain personal information about a Participant, including the Participant's name, address and telephone number; birthdate; social security number, insurance number or other identification number; salary; nationality; job title(s); any Shares held in the Company or its Subsidiaries and affiliates; and Award details, to implement, manage and administer the Plan and Awards (the "***Data***"). The Company and its Subsidiaries and affiliates may transfer the Data amongst themselves as necessary to implement, administer and manage a Participant's participation in the Plan, and the Company and its Subsidiaries and affiliates may transfer the Data to third parties assisting the Company with Plan implementation, administration and management. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. By accepting an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, to implement, administer and manage the Participant's participation in the Plan, including any required Data transfer to a broker or other third party with whom the Company or the Participant may elect to deposit any Shares. The Data related to a Participant will be held only as long as necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data that the Company holds regarding such Participant, request additional information about the storage and processing of the Data regarding such Participant, recommend any necessary corrections to the Data regarding the Participant or refuse or withdraw the consents in this Section 10.9 in writing, without cost, by contacting the local human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Administrator's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws the consents in this Section 10.9. For more information on the consequences of refusing or withdrawing consent, Participants may contact their local human resources representative.

10.10 Severability. If any portion of the Plan or any action taken under it is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provisions had been excluded, and the illegal or invalid action will be null and void.

10.11 Governing Documents. If any contradiction occurs between the Plan and any Award Agreement or other written agreement between a Participant and the Company (or any Subsidiary) that the Administrator has approved, the Plan will govern, unless it is expressly specified in such Award Agreement or other written document that the specific provision of the Plan will not apply. In addition, the Awards granted and Shares issuable and issued pursuant to this Plan are subject to Section 4.7 of the Charter regarding the conversion of shares of Class B Common Stock to Class A Common Stock.

10.12 Governing Law. The Plan and all Awards will be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding any state's choice-of-law principles requiring the application of a jurisdiction's laws other than the State of Delaware.

10.13 Claw-back Provisions. All Awards (including, without limitation, any proceeds, gains or other economic benefit actually or constructively received by a Participant upon any receipt or exercise of any Award or upon the receipt or resale of any shares of Common Stock underlying the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with Applicable Laws (including the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder), as and to the extent set forth in such claw-back policy or the Award Agreement.

10.14 Titles and Headings. The titles and headings in the Plan are for convenience of reference only and, if any conflict, the Plan's text, rather than such titles or headings, will control.

10.15 Conformity to Securities Laws. Participant acknowledges that the Plan is intended to conform to the extent necessary with Applicable Laws. Notwithstanding anything herein to the contrary, the Plan and all Awards will be administered only in conformance with Applicable Laws. To the extent Applicable Laws permit, the Plan and all Award Agreements will be deemed amended as necessary to conform to Applicable Laws.

10.16 Relationship to Other Benefits. No payment under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except as expressly provided in writing in such other plan or an agreement thereunder.

10.17 Broker-Assisted Sales. In the event of a broker-assisted sale of Shares in connection with the payment of amounts owed by a Participant under or with respect to the Plan or Awards, including amounts to be paid under the final sentence of Section 9.5: (a) any Shares to be sold through the broker-assisted sale will be sold on the day the payment first becomes due, or as soon thereafter as practicable; (b) such Shares may be sold as part of a block trade with other Participants in the Plan in which all participants receive an average price; (c) the applicable Participant will be responsible for all broker's fees and other costs of sale, and by accepting an Award, each Participant agrees to indemnify and hold the

Company harmless from any losses, costs, damages, or expenses relating to any such sale; (d) to the extent the Company or its designee receives proceeds of such sale that exceed the amount owed, the Company will pay such excess in cash to the applicable Participant as soon as reasonably practicable; (e) the Company and its designees are under no obligation to arrange for such sale at any particular price; and (f) in the event the proceeds of such sale are insufficient to satisfy the Participant's applicable obligation, the Participant may be required to pay immediately upon demand to the Company or its designee an amount in cash sufficient to satisfy any remaining portion of the Participant's obligation.

ARTICLE XI. DEFINITIONS

As used in the Plan, the following words and phrases will have the following meanings:

11.1 ***"Administrator"*** means the Board or a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

11.2 ***"Applicable Laws"*** means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted.

11.3 ***"Award"*** means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Dividend Equivalents or Other Stock or Cash Based Awards.

11.4 ***"Award Agreement"*** means a written agreement evidencing an Award, which may be electronic, that contains such terms and conditions as the Administrator determines, consistent with and subject to the terms and conditions of the Plan.

11.5 ***"Board"*** means the Board of Directors of the Company.

11.6 ***"Change in Control"*** means and includes each of the following:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of subsection (c) below) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, any Permitted Holder, an employee benefit plan maintained by the Company or any of its Subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new Director(s) (other than a Director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in subsections (a) or (c)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the Directors then still in office who either were Directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof (a "***Non-Transactional Change in Control***"); or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the

Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "***Successor Entity***")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or portion of any Award) that provides for the deferral of compensation that is subject to Section 409A, to the extent required to avoid the imposition of additional taxes under Section 409A, the transaction or event described in subsection (a), (b) or (c) with respect to such Award (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

The Administrator shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

11.7 ***"Charter"*** means the Company's amended and restated certificate of incorporation, as it may be amended from time to time.

11.8 ***"Class A Common Stock"*** means the Class A common stock of the Company, par value of $0.00001 per share.

11.9 ***"Class B Common Stock"*** means the Class B common stock of the Company, par value of $0.00001 per share.

11.10 ***"Closing Date"*** means the date on which the Company's initial public offering closes.

11.11 ***"Code"*** means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

11.12 ***"Committee"*** means one or more committees or subcommittees of the Board, which may include one or more Company directors or executive officers, to the extent Applicable Laws permit. To the extent required to comply with the provisions of Rule 16b-3, it is intended that each member of the Committee will be, at the time the Committee takes any action with respect to an Award that is subject to Rule 16b-3, a "non-employee director" within the meaning of Rule 16b-3; however, a Committee member's failure to qualify as a "non-employee director" within the meaning of Rule 16b-3 will not invalidate any Award granted by the Committee that is otherwise validly granted under the Plan.

11.13 ***"Common Stock"*** means either the Class A Common Stock or Class B Common Stock of the Company.

11.14 ***"Company"*** means Oscar Health, Inc., a Delaware corporation, or any successor.

11.15 ***"Consultant"*** means any consultant or advisor, engaged by the Company or any of its Subsidiaries to render services to such entity, who qualifies as a consultant or advisor under the applicable rules of Form S-8 Registration Statement.

11.16 ***"Designated Beneficiary"*** means the beneficiary or beneficiaries the Participant designates, in a manner the Administrator determines, to receive amounts due or exercise the Participant's rights if the Participant dies or becomes incapacitated. Without a Participant's effective designation, "Designated Beneficiary" will mean the Participant's estate.

11.17 ***"Director"*** means a Board member.

11.18 ***"Disability"*** means a permanent and total disability under Section 22(e)(3) of the Code, as amended.

11.19 ***"Dividend Equivalents"*** means a right granted to a Participant under the Plan to receive the equivalent value (in cash or Shares) of dividends paid on Shares.

11.20 ***"Employee"*** means any employee of the Company or its Subsidiaries.

11.21 ***"Equity Restructuring"*** means, as determined by the Administrator, a non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off or recapitalization through a large, nonrecurring cash dividend, or other large, nonrecurring cash dividend, that affects the shares of Common Stock (or other securities of the Company) or the share price of Common Stock (or other securities of the Company) and causes a change in the per share value of the Common Stock underlying outstanding Awards.

11.22 ***"Exchange Act"*** means the Securities Exchange Act of 1934, as amended.

11.23 ***"Fair Market Value"*** means, as of any date, the value of a share of Common Stock determined as follows: (a) if the Class A Common Stock is listed on any established stock exchange, its Fair Market Value will be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; (b) if the Class A Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the closing sales price on such date, or if no sales occurred on such date, then on the last date preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; or (c) without an established market for the Class A Common Stock, the Administrator will determine the Fair Market Value in its discretion.

Notwithstanding the foregoing, with respect to any Award granted on the pricing date of the Company's initial public offering, the Fair Market Value shall mean the initial public offering price of a Share of Class A Common Stock as set forth in the Company's final prospectus relating to its initial public offering filed with the Securities and Exchange Commission.

11.24 ***"Greater Than 10% Stockholder"*** means an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary corporation, as defined in Section 424(e) and (f) of the Code, respectively.

11.25 ***"Incentive Stock Option"*** means an Option intended to qualify as an "incentive stock option" as defined in Section 422 of the Code.

11.26 ***"Non-Qualified Stock Option"*** means an Option, or portion thereof, not intended or not qualifying as an Incentive Stock Option.

11.27 ***"Option"*** means an option to purchase Shares, which will either be an Incentive Stock option or a Non-Qualified Stock Option.

11.28 ***"Other Stock or Cash Based Awards"*** means cash awards, awards of Shares, and other awards valued wholly or partially by referring to, or are otherwise based on, Shares or other property awarded to a Participant under Article VII.

11.29 ***"Overall Share Limit"*** means the sum of (a) 20,583,681 Shares plus (b) any Shares which, as of the Effective Date, are (i) available for issuance under the Prior Plan or (ii) are subject to Prior Plan Awards which, on or following the Effective Date, become available for issuance under the Plan pursuant to Article IV (which aggregate number of subclauses (i) and (ii) added to the Overall Share Limit shall not exceed 42,695,077 Shares). In addition, on the first day of each calendar year beginning on and including January 1, 2022 and ending on and including January 1, 2031, the Overall Share Limit shall be increased by (i) a number of Shares such that the aggregate number of Shares available for grant under the Plan immediately following such increase shall equal 5% of the aggregate number of shares of Class A Common Stock and Class B Common Stock outstanding on the final day of the immediately preceding calendar year, or (ii) such smaller number of Shares as is determined by the Board.

11.30 ***"Participant"*** means a Service Provider who has been granted an Award.

11.31 ***"Performance Criteria"*** means the criteria (and adjustments) that the Administrator may select for an Award to establish performance goals for a performance period, which may include the following: net earnings or losses (either before or after one or more of interest, taxes, depreciation, amortization, and non-cash equity-based compensation expense); gross or net sales or revenue or sales or revenue growth; net income (either before or after taxes) or adjusted net income; profits (including but not limited to gross profits, net profits, profit growth, net operation profit or economic profit), profit return ratios or operating margin; budget or operating earnings (either before or after taxes or before or after allocation of corporate overhead and bonus); cash flow (including operating cash flow and free cash flow or cash flow return on capital); return on assets; return on capital or invested capital; cost of capital; return on stockholders' equity; total stockholder return; return on sales; costs, reductions in costs and cost control measures; expenses; working capital; earnings or loss per share; adjusted earnings or loss per share; price per share or dividends per share (or appreciation in or maintenance of such price or dividends); regulatory achievements or compliance; implementation, completion or attainment of objectives relating to research, development, regulatory, commercial, or strategic milestones or developments; market share; economic value or economic value added models; division, group or corporate financial goals; customer satisfaction/growth; customer service; employee satisfaction; recruitment and maintenance of personnel; human resources management; supervision of litigation and other legal matters; strategic partnerships and transactions; financial ratios (including those measuring liquidity, activity, profitability or leverage); debt levels or reductions; sales-related goals; financing and other capital raising transactions; cash on hand; acquisition activity; investment sourcing activity; and marketing initiatives, any of which may be measured in absolute terms or as compared to any incremental increase or decrease. Such performance goals also may be based solely by reference to the Company's performance or the performance of a Subsidiary, division, business segment or business unit of the Company or a Subsidiary, or based upon performance relative to performance of other companies or upon comparisons of any of the indicators of performance relative to performance of other companies.

11.32 ***"Permitted Holder"*** means each of the Stockholder Group, any member of the Stockholder Group, Joshua Kushner, Mario Schlosser or any of their respective affiliates.

11.33 ***"Plan"*** means this 2021 Incentive Award Plan.

11.34 ***"Prior Plan"*** means the Oscar Health, Inc. 2012 Stock Plan, as amended and restated.

11.35 ***"Prior Plan Award"*** means an award outstanding under the Prior Plan as of the Effective Date.

11.36 ***"Public Trading Date"*** means the first date upon which the Class A Common Stock is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system.

11.37 ***"Restricted Stock"*** means Shares awarded to a Participant under Article VI subject to certain vesting conditions and other restrictions.

11.38 ***"Restricted Stock Unit"*** means an unfunded, unsecured right to receive, on the applicable settlement date, one Share or an amount in cash or other consideration determined by the Administrator to be of equal value as of such settlement date awarded to a Participant under Article VI subject to certain vesting conditions and other restrictions.

11.39 ***"Rule 16b-3"*** means Rule 16b-3 promulgated under the Exchange Act.

11.40 ***"Section 409A"*** means Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder.

11.41 ***"Securities Act"*** means the Securities Act of 1933, as amended.

11.42 ***"Service Provider"*** means an Employee, Consultant or Director.

11.43 ***"Shares"*** means shares of Common Stock.

11.44 ***"Stock Appreciation Right"*** means a stock appreciation right granted under Article V.

11.45 ***"Stockholder Group"*** means the "group" (as such term is used in Section 13(d) of the Exchange Act) consisting of Thrive Capital Partners II, L.P., Thrive Capital Partners III, L.P., Thrive Capital Partners V, L.P., Thrive Capital Partners VI Growth, L.P., Claremount TW, L.P., Claremount V Associates, L.P., and Claremount VI Associates, L.P., in each case together with their affiliates.

11.46 ***"Subsidiary"*** means any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least 50% of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

11.47 ***"Substitute Awards"*** means Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines.

11.48 ***"Termination of Service"*** means the date the Participant ceases to be a Service Provider.

* * * * *

OSCAR HEALTH, INC.

2021 INCENTIVE AWARD PLAN

STOCK OPTION GRANT NOTICE

Oscar Health, Inc., a Delaware corporation (the "***Company***") has granted to the participant listed below ("***Participant***") the stock option (the "***Option***") described in this Stock Option Grant Notice (the "***Grant Notice***"), subject to the terms and conditions of the Oscar Health, Inc. 2021 Incentive Award Plan (as amended from time to time, the "***Plan***") and the Stock Option Agreement attached hereto as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:	[To be specified]
Grant Date:	[To be specified]
Exercise Price per Share:	[To be specified]
Shares Subject to the Option:	[To be specified]
Final Expiration Date:	[To be specified]
Vesting Commencement Date:	[To be specified]
Vesting Schedule:	[To be specified]
Type of Option	[Incentive Stock Option]/[Non-Qualified Stock Option]

By accepting (whether in writing, electronically or otherwise) the Option, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

OSCAR HEALTH, INC.		**PARTICIPANT**
By:	—	—
Name:	—	[Participant Name]
Title:	—	

STOCK OPTION AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I. GENERAL

1.1 Grant of Option. The Company has granted to Participant the Option effective as of the grant date set forth in the Grant Notice (the "***Grant Date***").

1.2 Incorporation of Terms of Plan. The Option is subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II. PERIOD OF EXERCISABILITY

2.1 Commencement of Exercisability. The Option will vest and become exercisable according to the vesting schedule in the Grant Notice (the "***Vesting Schedule***") except that any fraction of a Share as to which the Option would be vested or exercisable will be accumulated and will vest and become exercisable only when a whole Share has accumulated. Notwithstanding anything in the Grant Notice, the Plan or this Agreement to the contrary, unless the Administrator otherwise determines, the Option will immediately expire and be forfeited as to any portion that is not vested and exercisable as of Participant's Termination of Service for any reason (after taking into consideration any accelerated vesting and exercisability which may occur in connection with such Termination of Service).

2.2 Duration of Exercisability. The Vesting Schedule is cumulative. Any portion of the Option which vests and becomes exercisable will remain vested and exercisable until the Option expires. The Option will be forfeited immediately upon its expiration.

2.3 Expiration of Option. The Option may not be exercised to any extent by anyone after, and will expire on, the first of the following to occur:

(a) The final expiration date in the Grant Notice; *provided*, however, such final expiration date may be extended pursuant to Section 5.3 of the Plan;

(b) Except as the Administrator may otherwise approve, the expiration of three months from the date of Participant's Termination of Service, unless Participant's Termination of Service is for Cause or by reason of Participant's death or Disability;

(c) Except as the Administrator may otherwise approve, the expiration of one year from the date of Participant's Termination of Service by reason of Participant's death or Disability; and

(d) Except as the Administrator may otherwise approve, Participant's Termination of Service for Cause.

[As used in this Agreement, "***Cause***" shall have such meaning as is contained in Participant's employment offer letter or, if not defined therein, shall mean a determination by the Company of (i) Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; (ii) Participant's breach of any agreement between Participant and the Company; (iii) Participant's failure to comply with the Company's written policies or rules; (iv) Participant's conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof; (v) Participant's gross negligence or willful misconduct; (vi) Participant's continuing failure to perform assigned duties after receiving notification of such failure from the Company; or (vii) Participant's failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers, or employees.]

[As used in this Agreement, "***Involuntary Termination***" shall have such meaning as is contained in Participant's employment offer letter or, if not defined therein, shall mean a termination of employment by the Company without Cause.]

ARTICLE III. EXERCISE OF OPTION

3.1 Person Eligible to Exercise. During Participant's lifetime, only Participant may exercise the Option. After Participant's death, any exercisable portion of the Option may, prior to the time the Option expires, be exercised by Participant's Designated Beneficiary as provided in the Plan.

3.2 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised, in whole or in part, according to the procedures in the Plan at any time prior to the time the Option or portion thereof expires, except that the Option may only be exercised for whole Shares.

3.3 Tax Withholding; Exercise Price.

(a) Subject to Section 3.3(b) and 3.3(c), payment of the exercise price and withholding tax obligations with respect to the Option may be by any of the following, or a combination thereof, as determined by [the Company in its sole discretion / Participant or the Administrator][1]:

(i) Cash or check;

(ii) In whole or in part by delivery of Shares, including Shares delivered by attestation and Shares retained from the Award creating the tax obligation, valued at their Fair Market Value on the date of delivery; or

(iii) In whole or in part by the Company withholding of Shares otherwise issuable upon exercise of this Award.

(b) Unless [the Company / Participant or the Administrator] otherwise determines, and subject to Section 10.17 of the Plan, payment of the exercise price and withholding tax obligations with respect to the Option shall be by [delivery (including electronically or telephonically to the extent permitted by the Company) of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to satisfy the applicable exercise price and tax withholding obligations] / [delivery (including electronically or telephonically to the extent permitted by the Company) by Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company that Participant has placed a market sell order with such broker with respect to Shares then-issuable upon exercise of the Option, and that the broker has been directed to deliver promptly to the Company funds sufficient to satisfy the applicable exercise price and tax withholding obligations; provided, that payment of such proceeds is then made to the Company at such time as may be required by the Administrator][2].

(c) Subject to Section 9.5 of the Plan, the applicable tax withholding obligation will be determined based on Participant's Applicable Withholding Rate. Participant's "***Applicable Withholding Rate***" shall mean (i) if Participant is subject to Section 16 of the Exchange Act, the greater of (A) the minimum applicable statutory tax withholding rate or (B) with Participant's consent, the maximum individual tax withholding rate permitted under the rules of the applicable taxing authority for tax withholding attributable to the underlying transaction, or (ii) if Participant is not subject to Section 16 of the Exchange Act, the minimum applicable statutory tax withholding rate or such other higher rate approved by the Company; *provided*, *however*, that (i) in no event shall Participant's Applicable Withholding Rate exceed the maximum individual statutory tax rate in the applicable jurisdiction at the

[1] NTD: "Participant or the Administrator" for Section 16 individuals. "The Company" for non-Section 16 individuals.

[2] NTD: Use second bracketed language for Section 16 individuals.

time of such withholding (or such other rate as may be required to avoid the liability classification of the applicable award under generally accepted accounting principles in the United States of America); and (ii) the number of Shares tendered or withheld, if applicable, shall be rounded up to the nearest whole Share sufficient to cover the applicable tax withholding obligation, to the extent rounding up to the nearest whole Share does not result in the liability classification of the Option under generally accepted accounting principles.

(d) Participant acknowledges that Participant is ultimately liable and responsible for the exercise price and all taxes owed in connection with the Option (and, with respect to taxes, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the Option). Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or exercise of the Option or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the Option to reduce or eliminate Participant's tax liability.

ARTICLE IV. OTHER PROVISIONS

4.1 Adjustments. Participant acknowledges that the Option is subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

4.2 Clawback. The Option and the Shares issuable hereunder shall be subject to any clawback or recoupment policy in effect on the Grant Date or as may be adopted or maintained by the Company following the Grant Date, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder.

4.3 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's General Counsel at the Company's principal office or the General Counsel's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant (or, if Participant is then deceased, to the Designated Beneficiary) at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.4 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.5 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.6 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.7 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the Option will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.8 Entire Agreement; Amendment. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; provided, however, that except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall materially and adversely affect the Option without the prior written consent of Participant.

4.9 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.10 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Option, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the Option, as and when exercised pursuant to the terms hereof.

4.11 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

4.12 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

4.13 Incentive Stock Options. If the Option is designated as an Incentive Stock Option:

(a) Participant acknowledges that to the extent the aggregate fair market value of shares (determined as of the time the option with respect to the shares is granted) with respect to which stock options intended to qualify as "incentive stock options" under Section 422 of the Code, including the Option, are exercisable for the first time by Participant during any calendar year exceeds $100,000 or if for any other reason such stock options do not qualify or cease to qualify for treatment as "incentive stock options" under Section 422 of the Code, such stock options (including the Option) will be treated as non-qualified stock options. Participant further acknowledges that the rule set forth in the preceding sentence will be applied by taking the Option and other stock options into account in the order in which they were granted, as determined under Section 422(d) of the Code. Participant also acknowledges that if the Option is exercised more than three months after Participant's Termination of Service, other than by reason of death or Disability, the Option will be taxed as a Non-Qualified Stock Option.

(b) Participant will give prompt written notice to the Company of any disposition or other transfer of any Shares acquired under this Agreement if such disposition or other transfer is made (i) within two years from the Grant Date or (ii) within one year after the transfer of such Shares to Participant. Such notice will specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by Participant in such disposition or other transfer.

* * * * *

OSCAR HEALTH, INC.
2021 EMPLOYEE STOCK PURCHASE PLAN

ARTICLE I. PURPOSE

The purposes of this Oscar Health, Inc. 2021 Employee Stock Purchase Plan (as it may be amended or restated from time to time, the "***Plan***") are to assist Eligible Employees of Oscar Health, Inc., a Delaware corporation (the "***Company***"), and its Designated Subsidiaries in acquiring a stock ownership interest in the Company pursuant to a plan which is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423(b) of the Code, and to help Eligible Employees provide for their future security and to encourage them to remain in the employment of the Company and its Designated Subsidiaries.

ARTICLE II. DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates. Masculine, feminine and neuter pronouns are used interchangeably and each comprehends the others.

2.1 ***"Administrator"*** shall mean the entity that conducts the general administration of the Plan as provided in Article XI. The term "Administrator" shall refer to the Committee unless the Board has assumed the authority for administration of the Plan as provided in Article XI.

2.2 ***"Applicable Law"*** shall mean the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where rights under this Plan are granted.

2.3 "***Board***" shall mean the Board of Directors of the Company.

2.4 "***Change in Control***" means and includes each of the following:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of subsection (c) below) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, any Permitted Holder, an employee benefit plan maintained by the Company or any of its Subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in subsections (a) or (c)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "***Successor Entity***")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any portion of any right that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change in Control with respect to such right (or portion thereof) must also constitute a "change in control event" (as defined in Treasury Regulation §1.409A-3(i)(5)) to trigger the payment event for such right, to the extent required by Section 409A of the Code. The Administrator shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

2.5 "***Code***" shall mean the Internal Revenue Code of 1986, as amended and the regulations issued thereunder.

2.6 "***Class A Common Stock***" means the Class A common stock of the Company, par value of $0.00001 per share.

2.7 "***Class B Common Stock***" means the Class B common stock of the Company, par value of $0.00001 per share.

2.8 "***Common Stock***" shall mean either the Class A or Class B common stock of the Company, and such other securities of the Company that may be substituted therefor pursuant to Article VIII.

2.9 "***Company***" shall mean Oscar Health, Inc., a Delaware corporation.

2.10 "***Compensation***" of an Eligible Employee shall mean the gross cash compensation received by such Eligible Employee as compensation for services to the Company or any Designated Subsidiary, including prior week adjustment, overtime payments, commissions and periodic bonuses but excluding vacation pay, holiday pay, jury duty pay, funeral leave pay, military leave pay, one-time bonuses (e.g., retention or sign on bonuses), education or tuition reimbursements, travel expenses, business and moving reimbursements, income received in connection with any stock options, stock appreciation rights, restricted stock, restricted stock units or other compensatory equity awards, fringe benefits, other special payments and all contributions made by the Company or any Designated Subsidiary for the Employee's benefit under any employee benefit plan now or hereafter established.

2.11 "***Designated Subsidiary***" shall mean any Subsidiary designated by the Administrator in accordance with Section 11.3(b).

2.12 "***Effective Date***" shall mean the day prior to the Public Trading Date.

2.13 "***Eligible Employee***" shall mean an Employee who does not, immediately after any rights under this Plan are granted, own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of Common Stock (including Class B Common Stock) and other stock of the Company, a Parent or a Subsidiary (as determined under Section 423(b)(3) of the Code). For purposes of the foregoing sentence, the rules of Section 424(d) of the Code with regard to the attribution of stock ownership shall apply in determining the stock ownership of an individual, and stock that an Employee may purchase under outstanding options shall be treated as stock owned by the Employee; provided, however, that the Administrator may provide in an Offering Document that an Employee shall not be eligible to participate in an Offering Period if: (a) such Employee is a highly compensated employee within the meaning of Section 423(b)(4)(D) of the Code, (b) such Employee has not met a service requirement designated by the Administrator pursuant to Section 423(b)(4)(A) of the Code (which service requirement may not exceed two years), (c) such Employee's customary employment is for 20 hours or less per week, (d) such Employee's customary employment is for less than five months in any calendar year and/or (e) such Employee is a citizen or resident of a foreign jurisdiction and the grant of a right to purchase Common Stock under the Plan to such Employee would be prohibited under the laws of such foreign jurisdiction or the grant of a right to purchase Common Stock under the Plan to such Employee in compliance with the laws of such foreign jurisdiction would cause the Plan to violate the requirements of Section 423 of the Code, as determined by the Administrator in its sole discretion; provided, further, that any exclusion in clauses (a), (b), (c), (d) or (e) shall be applied in an identical manner under each Offering Period to all Employees, in accordance with Treasury Regulation Section 1.423-2(e).

2.14 "***Employee***" shall mean any officer or other employee (as defined in accordance with Section 3401(c) of the Code) of the Company or any Designated Subsidiary. "Employee" shall not include any director of the Company or a Designated Subsidiary who does not render services to the Company or a Designated Subsidiary as an employee within the meaning of Section 3401(c) of the Code. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the Company or Designated Subsidiary and meeting the requirements of Treasury Regulation Section 1.421-1(h)(2). Where the period of leave exceeds three months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship shall be deemed to have terminated on the first day immediately following such three-month period.

2.15 "***Enrollment Date***" shall mean the first Trading Day of each Offering Period.

2.16 "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended from time to time.

2.17 "***Fair Market Value***" means, as of any date, the value of a share of Common Stock determined as follows: (a) if the Common Stock is listed on any established stock exchange, its Fair Market Value will be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in *The Wall Street Journal* or another source the Administrator deems reliable; (b) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the closing sales price on such date, or if no sales occurred on such date, then on the last date preceding such date during which a sale occurred, as reported in *The Wall Street Journal* or another source the Administrator deems reliable; or (c) without an established market for the Common Stock, the Administrator will determine the Fair Market Value in its discretion.

2.18 "***Offering Document***" shall have the meaning given to such term in Section 4.1.

2.19 "***Offering Period***" shall have the meaning given to such term in Section 4.1.

2.20 “***Parent***” shall mean any corporation, other than the Company, in an unbroken chain of corporations ending with the Company if, at the time of the determination, each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

2.21 “***Participant***” shall mean any Eligible Employee who has executed a subscription agreement and been granted rights to purchase Common Stock pursuant to the Plan.

2.22 “***Permitted Holder***” means each of the Stockholder Group, any member of the Stockholder Group, Joshua Kushner, Mario Schlosser or any of their respective affiliates.

2.23 “***Plan***” shall mean this Oscar Health, Inc. 2021 Employee Stock Purchase Plan, as it may be amended from time to time.

2.24 “***Public Trading Date***” means the first date upon which the Class A Common Stock is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system.

2.25 “***Purchase Date***” shall mean the last Trading Day of each Purchase Period.

2.26 “***Purchase Period***” shall refer to one or more periods within an Offering Period, as designated in the applicable Offering Document; provided, however, that, in the event no Purchase Period is designated by the Administrator in the applicable Offering Document, the Purchase Period for each Offering Period covered by such Offering Document shall be the same as the applicable Offering Period.

2.27 “***Purchase Price***” shall mean the purchase price designated by the Administrator in the applicable Offering Document (which purchase price shall not be less than 85% of the Fair Market Value of a Share on the Enrollment Date or on the Purchase Date, whichever is lower); provided, however, that, in the event no purchase price is designated by the Administrator in the applicable Offering Document, the purchase price for the Offering Periods covered by such Offering Document shall be 85% of the Fair Market Value of a Share on the Enrollment Date or on the Purchase Date, whichever is lower; provided, further, that the Purchase Price may be adjusted by the Administrator pursuant to Article VIII and shall not be less than the par value of a Share.

2.28 “***Securities Act***” shall mean the Securities Act of 1933, as amended.

2.29 “***Share***” shall mean a share of Class A Common Stock.

2.30 “***Stockholder Group***” shall mean the “group” (as such term is used in Section 13(d) of the Exchange Act) consisting of Thrive Capital Partners II, L.P., Thrive Capital Partners III, L.P., Thrive Capital Partners V, L.P., Thrive Capital Partners VI Growth, L.P., Claremount TW, L.P., Claremount V Associates, L.P., and Claremount VI Associates, L.P., in each case together with their affiliates.

2.31 “***Subsidiary***” shall mean any corporation, other than the Company, in an unbroken chain of corporations beginning with the Company if, at the time of the determination, each of the corporations other than the last corporation in an unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain; provided, however, that a limited liability company or partnership may be treated as a Subsidiary to the extent either (a) such entity is treated as a disregarded entity under Treasury Regulation Section 301.7701-3(a) by reason of the Company or any other Subsidiary that is a corporation being the sole owner of such entity, or (b) such entity elects to be classified as a corporation under Treasury Regulation Section 301.7701-3(a) and such entity would otherwise qualify as a Subsidiary.

2.32 “***Trading Day***” shall mean a day on which national stock exchanges in the United States are open for trading.

ARTICLE III. SHARES SUBJECT TO THE PLAN

3.1 Number of Shares. Subject to Article VIII, the aggregate number of shares of Class A Common Stock that may be issued pursuant to rights granted under the Plan shall be 4,116,736 Shares. In addition to the foregoing, subject to Article VIII, on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2031, the number of Shares available for issuance under the Plan shall be increased by that number of Shares equal to the lesser of (a) 1% of the aggregate number of shares of Class A Common Stock and Class B Common Stock outstanding on the final day of the immediately preceding calendar year and (b) such smaller number of Shares as determined by the Board. If any right granted under the Plan shall for any reason terminate without having been exercised, the Common Stock not purchased under such right shall again become available for issuance under the Plan. Notwithstanding anything in this Section 3.1 to the contrary, the number of Shares that may be issued or transferred pursuant to the rights granted under the Plan shall not exceed an aggregate of 50,000,000 Shares, subject to Article VIII.

3.2 Stock Distributed. Any Common Stock distributed pursuant to the Plan may consist, in whole or in part, of authorized and unissued Common Stock, treasury stock or Common Stock purchased on the open market.

ARTICLE IV. OFFERING PERIODS; OFFERING DOCUMENTS; PURCHASE DATES

4.1 Offering Periods. The Administrator may from time to time grant or provide for the grant of rights to purchase Common Stock under the Plan to Eligible Employees during one or more periods (each, an "Offering Period") selected by the Administrator. The terms and conditions applicable to each Offering Period shall be set forth in an "Offering Document" adopted by the Administrator, which Offering Document shall be in such form and shall contain such terms and conditions as the Administrator shall deem appropriate. The Administrator shall establish in each Offering Document one or more Purchase Periods during such Offering Period during which rights granted under the Plan shall be exercised and purchases of Shares carried out during such Offering Period in accordance with such Offering Document and the Plan. The provisions of separate Offering Periods under the Plan need not be identical.

4.2 Offering Documents. Each Offering Document with respect to an Offering Period shall specify (through incorporation of the provisions of this Plan by reference or otherwise):

(a) the length of the Offering Period, which period shall not exceed 27 months;

(b) the length of the Purchase Period(s) within the Offering Period;

(c) in connection with each Offering Period that contains only one Purchase Period the maximum number of Shares that may be purchased by any Eligible Employee during such Offering Period, which, in the absence of a contrary designation by the Administrator, shall be 5,000 Shares;

(d) in connection with each Offering Period that contains more than one Purchase Period, the maximum aggregate number of Shares which may be purchased by any Eligible Employee during each Purchase Period, which, in the absence of a contrary designation by the Administrator, shall be 5,000 Shares; and

(e) such other provisions as the Administrator determines are appropriate, subject to the Plan.

ARTICLE V. ELIGIBILITY AND PARTICIPATION

5.1 Eligibility. Any Eligible Employee who shall be employed by the Company or a Designated Subsidiary on a given Enrollment Date for an Offering Period shall be eligible to participate in the Plan during such Offering Period, subject to the requirements of this Article V and the limitations imposed by Section 423(b) of the Code.

5.2 Enrollment in Plan.

(a) Except as otherwise set forth in an Offering Document or determined by the Administrator, an Eligible Employee may become a Participant in the Plan for an Offering Period by delivering a subscription agreement to the Company by such time prior to the Enrollment Date for such Offering Period (or such other date specified in the Offering Document) designated by the Administrator and in such form as the Company provides.

(b) Each subscription agreement shall designate a whole percentage of such Eligible Employee's Compensation to be withheld by the Company or the Designated Subsidiary employing such Eligible Employee on each payday during the Offering Period as payroll deductions under the Plan. The designated percentage may not be less than 1% and may not be more than the maximum percentage specified by the Administrator in the applicable Offering Document (which percentage shall be 20% in the absence of any such designation). The payroll deductions made for each Participant shall be credited to an account for such Participant under the Plan and shall be deposited with the general funds of the Company.

(c) A Participant may decrease the percentage of Compensation designated in his or her subscription agreement, subject to the limits of this Section 5.2, or may suspend his or her payroll deductions, at any time during an Offering Period; provided, however, that the Administrator may limit the number of changes a Participant may make to his or her payroll deduction elections during each Offering Period in the applicable Offering Document (and in the absence of any specific designation by the Administrator, a Participant shall be allowed two decreases and one suspension (but no increases) to his or her payroll deduction elections during each Offering Period with respect to such Offering Period). Any such change or suspension of payroll deductions shall be effective with the first full payroll period following ten business days after the Company's receipt of the new subscription agreement (or such shorter or longer period as may be specified by the Administrator in the applicable Offering Document). In the event a Participant suspends his or her payroll deductions, such Participant's cumulative payroll deductions prior to the suspension shall remain in his or her account and shall be applied to the purchase of Shares on the next occurring Purchase Date and shall not be paid to such Participant unless he or she withdraws from participation in the Plan pursuant to Article VII.

(d) Except as otherwise set forth in Section 5.8 or in an Offering Document or determined by the Administrator, a Participant may participate in the Plan only by means of payroll deduction and may not make contributions by lump sum payment for any Offering Period.

5.3 Payroll Deductions. Except as otherwise provided in the applicable Offering Document or Section 5.8, payroll deductions for a Participant shall commence on the first payroll following the Enrollment Date and shall end on the last payroll in the Offering Period to which the Participant's authorization is applicable, unless sooner terminated by the Participant as provided in Article VII or suspended by the Participant or the Administrator as provided in Section 5.2 and Section 5.6, respectively.

5.4 Effect of Enrollment. A Participant's completion of a subscription agreement will enroll such Participant in the Plan for each subsequent Offering Period on the terms contained therein until the Participant either submits a new subscription agreement, withdraws from participation under the Plan as provided in Article VII or otherwise becomes ineligible to participate in the Plan.

5.5 Limitation on Purchase of Common Stock. An Eligible Employee may be granted rights under the Plan only if such rights, together with any other rights granted to such Eligible Employee under "employee stock purchase plans" of the Company, any Parent or any Subsidiary, as specified by Section 423(b)(8) of the Code, do not permit such employee's rights to purchase stock of the Company or any Parent or Subsidiary to accrue at a rate that exceeds $25,000 of the fair market value of such stock (determined as of the first day of the Offering Period during which such rights are granted) for each calendar year in which such rights are outstanding at any time. This limitation shall be applied in accordance with Section 423(b)(8) of the Code.

5.6 Decrease or Suspension of Payroll Deductions. Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 5.5 or the other limitations set forth in this Plan, a Participant's payroll deductions may be suspended by the Administrator at any time during an Offering Period. The balance of the amount credited to the account of each Participant that has not been applied to the purchase of Shares by reason of Section 423(b)(8) of the Code, Section 5.5 or the other limitations set forth in this Plan shall be paid to such Participant in one lump sum in cash as soon as reasonably practicable after the Purchase Date.

5.7 Foreign Employees. In order to facilitate participation in the Plan, the Administrator may provide for such special terms applicable to Participants who are citizens or residents of a foreign jurisdiction, or who are employed by a Designated Subsidiary outside of the United States, as the Administrator may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Such special terms may not be more favorable than the terms of rights granted under the Plan to Eligible Employees who are residents of the United States. Moreover, the Administrator may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this Plan as in effect for any other purpose. No such special terms, supplements, amendments or restatements shall include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Company.

5.8 Leave of Absence. During leaves of absence approved by the Company meeting the requirements of Treasury Regulation Section 1.421-1(h)(2) under the Code, a Participant may continue participation in the Plan by making cash payments to the Company on his or her normal payday equal to his or her authorized payroll deduction.

ARTICLE VI. GRANT AND EXERCISE OF RIGHTS

6.1 Grant of Rights. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period shall be granted a right to purchase the maximum number of Shares specified under Section 4.2, subject to the limits in Section 5.5, and shall have the right to buy, on each Purchase Date during such Offering Period (at the applicable Purchase Price), such number of whole Shares as is determined by dividing (a) such Participant's payroll deductions accumulated prior to such Purchase Date and retained in the Participant's account as of the Purchase Date, by (b) the applicable Purchase Price (rounded down to the nearest Share). The right shall expire on the earlier of: (x) the last Purchase Date of the Offering Period, (y) last day of the Offering Period and (z) the date on which the Participant withdraws in accordance with Section 7.1 or Section 7.3.

6.2 Exercise of Rights. On each Purchase Date, each Participant's accumulated payroll deductions and any other additional payments specifically provided for in the applicable Offering Document will be applied to the purchase of whole Shares, up to the maximum number of Shares permitted pursuant to the terms of the Plan and the applicable Offering Document, at the Purchase Price. No fractional Shares shall be issued upon the exercise of rights granted under the Plan, unless the Offering Document specifically provides otherwise. Any cash in lieu of fractional Shares remaining after the purchase of whole Shares upon exercise of a purchase right will be carried forward and applied toward the purchase of whole Shares for the following Offering Period. Shares issued pursuant to the Plan may be evidenced in such manner as the Administrator may determine and may be issued in certificated form or issued pursuant to book-entry procedures.

6.3 Pro Rata Allocation of Shares. If the Administrator determines that, on a given Purchase Date, the number of Shares with respect to which rights are to be exercised may exceed (a) the number of Shares that were available for issuance under the Plan on the Enrollment Date of the applicable Offering Period, or (b) the number of Shares available for issuance under the Plan on such Purchase Date, the Administrator may in its sole discretion provide that the Company shall make a pro rata allocation of the Shares available for purchase on such Enrollment Date or Purchase Date, as applicable, in as uniform a manner as shall be practicable and as it shall determine in its sole discretion to be equitable among all Participants for whom rights to purchase Common Stock are to be exercised pursuant to this Article VI on such Purchase Date, and shall either (i) continue all Offering Periods then in effect, or (ii) terminate any or all Offering Periods then in effect pursuant to Article IX. The Company may make pro rata allocation of the Shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional Shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date. The balance of the amount credited to the account of each Participant that has not been applied to the purchase of Shares shall be paid to such Participant in one lump sum in cash as soon as reasonably practicable after the Purchase Date.

6.4 Withholding. At the time a Participant's rights under the Plan are exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of, the Participant must make adequate provision for the Company's federal, state, or other tax withholding obligations, if any, that arise upon the exercise of the right or the disposition of the Common Stock. At any time, the Company may, but shall not be obligated to, withhold from the Participant's compensation the amount necessary for the Company to meet applicable withholding obligations, including any withholding required to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Common Stock by the Participant.

6.5 Conditions to Issuance of Common Stock. The Company shall not be required to issue or deliver any certificate or certificates for, or make any book entries evidencing, Shares purchased upon the exercise of rights under the Plan prior to fulfillment of all of the following conditions:

(a) The admission of such Shares to listing on all stock exchanges, if any, on which the Common Stock is then listed;

(b) The completion of any registration or other qualification of such Shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, that the Administrator shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable;

(d) The payment to the Company of all amounts that it is required to withhold under federal, state or local law upon exercise of the rights, if any; and

(e) The lapse of such reasonable period of time following the exercise of the rights as the Administrator may from time to time establish for reasons of administrative convenience.

ARTICLE VII. WITHDRAWAL; CESSATION OF ELIGIBILITY

7.1 Withdrawal. A Participant may withdraw all but not less than all of the payroll deductions credited to his or her account and not yet used to exercise his or her rights under the Plan at any time by giving written notice to the Company in a form acceptable to the Company no later than two weeks prior to the end of the Offering Period or, if earlier, the end of the Purchase Period (or such shorter or longer period specified by the Administrator in the Offering Document). All of the Participant's payroll deductions credited to his or her account during an Offering Period shall be paid to such Participant as soon as reasonably practicable after receipt of notice of withdrawal and such Participant's rights for the Offering Period shall be automatically terminated, and no further payroll deductions for the purchase of Shares shall be made for such Offering Period. If a Participant withdraws from an Offering Period, payroll deductions shall not resume at the beginning of the next Offering Period unless the Participant is an Eligible Employee and timely delivers to the Company a new subscription agreement.

7.2 Future Participation. A Participant's withdrawal from an Offering Period shall not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or a Designated Subsidiary or in subsequent Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

7.3 Cessation of Eligibility. Upon a Participant's ceasing to be an Eligible Employee for any reason, he or she shall be deemed to have elected to withdraw from the Plan pursuant to this Article VII and the payroll deductions credited to such Participant's account during the Offering Period shall be paid to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 12.4, as soon as reasonably practicable, and such Participant's rights for the Offering Period shall be automatically terminated.

ARTICLE VIII. ADJUSTMENTS UPON CHANGES IN STOCK

8.1 Changes in Capitalization. Subject to Section 8.3, in the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), Change in Control, reorganization, merger, amalgamation, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any outstanding purchase rights under the Plan, the Administrator shall make equitable adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of Shares (or other securities or property) that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1 and the limitations established in each Offering Document pursuant to Section 4.2 on the maximum number of Shares that may be purchased); (b) the class(es) and number of Shares and price per Share subject to outstanding rights; and (c) the Purchase Price with respect to any outstanding rights.

8.2 Other Adjustments. Subject to Section 8.3, in the event of any transaction or event described in Section 8.1 or any unusual or nonrecurring transactions or events affecting the Company, any affiliate of the Company, or the financial statements of the Company or any affiliate (including without limitation any Change in Control), or of changes in Applicable Law or accounting principles, the Administrator, in its discretion, and on such terms and conditions as it deems appropriate, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any right under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(a) To provide for either (i) termination of any outstanding right in exchange for an amount of cash, if any, equal to the amount that would have been obtained upon the exercise of such right had such right been currently exercisable or (ii) the replacement of such outstanding right with other rights or property selected by the Administrator in its sole discretion;

(b) To provide that the outstanding rights under the Plan shall be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar rights covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(c) To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding rights under the Plan and/or in the terms and conditions of outstanding rights and rights that may be granted in the future;

(d) To provide that Participants' accumulated payroll deductions may be used to purchase Common Stock prior to the next occurring Purchase Date on such date as the Administrator determines in its sole discretion and the Participants' rights under the ongoing Offering Period(s) shall be terminated; and

(e) To provide that all outstanding rights shall terminate without being exercised.

8.3 No Adjustment Under Certain Circumstances. No adjustment or action described in this Article VIII or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause the Plan to fail to satisfy the requirements of Section 423 of the Code.

8.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to outstanding rights under the Plan or the Purchase Price with respect to any outstanding rights.

ARTICLE IX. AMENDMENT, MODIFICATION AND TERMINATION

9.1 Amendment, Modification and Termination. The Administrator may amend, suspend or terminate the Plan at any time and from time to time; provided, however, that approval of the Company's stockholders shall be required to amend the Plan to: (a) increase the aggregate number, or change the type, of shares that may be sold pursuant to rights under the Plan under Section 3.1 (other than an adjustment as provided by Article VIII); (b) change the Plan in any manner that would be considered the adoption of a new plan within the meaning of Treasury regulation Section 1.423-2(c)(4); or (c) change the Plan in any manner that would cause the Plan to no longer be an "employee stock purchase plan" within the meaning of Section 423(b) of the Code.

9.2 Certain Changes to Plan. Without stockholder consent and without regard to whether any Participant rights may be considered to have been adversely affected, to the extent permitted by Section 423 of the Code, the Administrator shall be entitled to change or terminate the Offering Periods, limit the frequency and/or number of changes in the amount withheld from Compensation during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of payroll withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Administrator determines in its sole discretion to be advisable that are consistent with the Plan.

9.3 Actions In the Event of Unfavorable Financial Accounting Consequences. In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify or amend the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(a) altering the Purchase Price for any Offering Period, including an Offering Period underway at the time of the change in Purchase Price;

(b) shortening any Offering Period so that the Offering Period ends on a new Purchase Date, including an Offering Period underway at the time of the Administrator action; and

(c) allocating Shares.

Such modifications or amendments shall not require stockholder approval or the consent of any Participant.

9.4 Payments Upon Termination of Plan. Upon termination of the Plan, the balance in each Participant's Plan account shall be refunded as soon as practicable after such termination, without any interest thereon.

ARTICLE X. TERM OF PLAN

The Plan shall be effective on the Effective Date. The effectiveness of the Plan shall be subject to approval of the Plan by the stockholders of the Company within 12 months following the date the Plan is first approved by the Board. No right may be granted under the Plan prior to such stockholder approval. No rights may be granted under the Plan during any period of suspension of the Plan or after termination of the Plan.

ARTICLE XI. ADMINISTRATION

11.1 Administrator. Unless otherwise determined by the Board, the Administrator of the Plan shall be the Compensation Committee of the Board (or another committee or a subcommittee of the Board to which the Board delegates administration of the Plan) (such committee, the "Committee"). The Board may at any time vest in the Board any authority or duties for administration of the Plan.

11.2 Action by the Administrator. Unless otherwise established by the Board or in any charter of the Administrator, a majority of the Administrator shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present and, subject to Applicable Law and the Bylaws of the Company, acts approved in writing by a majority of the Administrator in lieu of a meeting, shall be deemed the acts of the Administrator. Each member of the Administrator is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Designated Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

11.3 Authority of Administrator. The Administrator shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(a) To determine when and how rights to purchase Common Stock shall be granted and the provisions of each offering of such rights (which need not be identical).

(b) To designate from time to time which Subsidiaries of the Company shall be Designated Subsidiaries, which designation may be made without the approval of the stockholders of the Company.

(c) To construe and interpret the Plan and rights granted under it, and to establish, amend and revoke rules and regulations for its administration. The Administrator, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(d) To amend, suspend or terminate the Plan as provided in Article IX.

(e) Generally, to exercise such powers and to perform such acts as the Administrator deems necessary or expedient to promote the best interests of the Company and its Subsidiaries and to carry out the intent that the Plan be treated as an "employee stock purchase plan" within the meaning of Section 423 of the Code.

11.4 Decisions Binding. The Administrator's interpretation of the Plan, any rights granted pursuant to the Plan, any subscription agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE XII. MISCELLANEOUS

12.1 Restriction upon Assignment. A right granted under the Plan shall not be transferable other than by will or the applicable laws of descent and distribution, and is exercisable during the Participant's lifetime only by the Participant. Except as provided in Section 12.4 hereof, a right under the Plan may not be exercised to any extent except by the Participant. The Company shall not recognize and shall be under no duty to recognize any assignment or alienation of the Participant's interest in the Plan, the Participant's rights under the Plan or any rights thereunder.

12.2 Rights as a Stockholder. With respect to Shares subject to a right granted under the Plan, a Participant shall not be deemed to be a stockholder of the Company, and the Participant shall not have any of the rights or privileges of a stockholder, until such Shares have been issued to the Participant or his or her nominee following exercise of the Participant's rights under the Plan. No adjustments shall be made for dividends (ordinary or extraordinary, whether in cash securities, or other property) or distribution or other rights for which the record date occurs prior to the date of such issuance, except as otherwise expressly provided herein or as determined by the Administrator.

12.3 Interest. No interest shall accrue on the payroll deductions or contributions of a Participant under the Plan.

12.4 Designation of Beneficiary.

(a) A Participant may, in the manner determined by the Administrator, file a written designation of a beneficiary who is to receive any Shares and/or cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to a Purchase Date on which the Participant's rights are exercised but prior to delivery to such Participant of such Shares and cash. In addition, a Participant may file a written designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the Participant's rights under the Plan. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary shall not be effective without the prior written consent of the Participant's spouse.

(b) Such designation of beneficiary may be changed by the Participant at any time by written notice to the Company. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company shall deliver such Shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such Shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

12.5 Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

12.6 Equal Rights and Privileges. Subject to Section 5.7, all Eligible Employees will have equal rights and privileges under this Plan so that this Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 of the Code. Subject to Section 5.7, any provision of this Plan that is inconsistent with Section 423 of the Code will, without further act or amendment by the Company, the Board or the Administrator, be reformed to comply with the equal rights and privileges requirement of Section 423 of the Code.

12.7 Use of Funds. All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

12.8 Reports. Statements of account shall be given to Participants at least annually, which statements shall set forth the amounts of payroll deductions, the Purchase Price, the number of Shares purchased and the remaining cash balance, if any.

12.9 No Employment Rights. Nothing in the Plan shall be construed to give any person (including any Eligible Employee or Participant) the right to remain in the employ of the Company or any Parent or Subsidiary or affect the right of the Company or any Parent or Subsidiary to terminate the employment of any person (including any Eligible Employee or Participant) at any time, with or without cause.

12.10 Notice of Disposition of Shares. Each Participant shall give prompt notice to the Company of any disposition or other transfer of any Shares purchased upon exercise of a right under the Plan if such disposition or transfer is made: (a) within two years from the Enrollment Date of the Offering Period in which the Shares were purchased or (b) within one year after the Purchase Date on which such Shares were purchased. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

12.11 Governing Law. The Plan and any agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Delaware without regard to conflicts of laws thereof or of any other jurisdiction.

12.12 Electronic Forms. To the extent permitted by Applicable Law and in the discretion of the Administrator, an Eligible Employee may submit any form or notice as set forth herein by means of an electronic form approved by the Administrator. Before the commencement of an Offering Period, the Administrator shall prescribe the time limits within which any such electronic form shall be submitted to the Administrator with respect to such Offering Period in order to be a valid election.

Exhibit 10.22

OSCAR HEALTH, INC.

AMENDED NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM

Eligible Directors (as defined below) on the board of directors (the "***Board***") of Oscar Health, Inc. (the "***Company***") shall be eligible to receive cash and equity compensation as set forth in this Amended Non-Employee Director Compensation Program (this "***Amended Program***"). The cash and equity compensation described in this Amended Program shall be paid or be made, as applicable, automatically as set forth herein and without further action of the Board, to each member of the Board who is not an employee of the Company or any of its parents, affiliates or subsidiaries and who is determined by the Board to be eligible to receive compensation under this Amended Program (each, an "***Eligible Director***"), who may be eligible to receive such cash or equity compensation, unless such Eligible Director declines the receipt of such cash or equity compensation by written notice to the Company.

This Amended Program shall be effective as of January 1, 2025 (the "***Effective Date***") and shall remain in effect until it is revised or rescinded by further action of the Board. This Amended Program may be amended, modified or terminated by the Board at any time in its sole discretion. No Eligible Director shall have any rights hereunder, except with respect to equity awards granted pursuant to Section 2 of this Amended Program.

1. Cash Compensation.

a. Annual Retainers. Each Eligible Director shall be eligible to receive an annual cash retainer of $70,000 for service on the Board.

b. Additional Annual Retainers. An Eligible Director shall be eligible to receive the following additional annual retainers, as applicable:

(i) Chairperson. An Eligible Director serving as the Chairperson of the Board (other than an Executive Chairperson) shall be eligible to receive an additional annual retainer of $125,000 for such service.

(ii) Audit Committee. An Eligible Director serving as Chairperson of the Audit Committee shall be eligible to receive an additional annual retainer of $35,000 for such service. An Eligible Director serving as a member of the Audit Committee (other than the Chairperson) shall be eligible to receive an additional annual retainer of $10,000 for such service.

(iii) Compensation Committee. An Eligible Director serving as Chairperson of the Compensation Committee shall be eligible to receive an additional annual retainer of $32,500 for such service. An Eligible Director serving as a member of the Compensation Committee (other than the Chairperson) shall be eligible to receive an additional annual retainer of $7,500 for such service.

(iv) Nominating and Corporate Governance Committee. An Eligible Director serving as Chairperson of the Nominating and Corporate Governance Committee shall be eligible to receive an additional annual retainer of $15,000 for such service. An Eligible Director serving as a member of the Nominating and Corporate Governance Committee (other than the Chairperson) shall be eligible to receive an additional annual retainer of $5,000 for such service.

c. Payment of Retainers. The annual cash retainers described in Sections 1(a) and 1(b) shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears not later than 30 days following the end of each calendar quarter. In the event an Eligible Director does not serve as a director, or in the applicable positions described in Section 1(b), for an entire calendar quarter, the retainer paid to such Eligible Director shall be prorated for the portion of such calendar quarter actually served as a director, or in such position, as applicable.

2. Equity Compensation.

a. General. Eligible Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2021 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (such plan, as may be amended from time to time, the "***Equity Plan***") and may be granted subject to the execution and delivery of award agreements, including attached exhibits, in substantially the forms approved by the Board prior to or in connection with such grants (each, an "***Award Agreement***"). All applicable terms of the Equity Plan apply to this Amended Program as if fully set forth herein, and all grants of equity awards hereby are subject in all respects to the terms of the Equity Plan. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Equity Plan.

b. Initial Awards.

i. Each Eligible Director who is initially elected or appointed to serve on the Board after the Effective Date automatically shall be granted a Restricted Stock Unit award (the "***Initial Equity Award***"). The number of Restricted Stock Units subject to an Initial Equity Award will be determined by dividing the Pro-Rated Value by the closing price for the Company's common stock on the applicable grant date. The Initial Equity Award shall be granted on the date on which such Eligible Director is appointed or elected to serve on the Board, and shall vest in full on the earlier to occur of (i) the one-year anniversary of the applicable grant date and (ii) the date of the next Annual Meeting following the grant date, subject to such Eligible Director's continued service through the applicable vesting date. The "***Pro-Rated Value***" shall equal $200,000, multiplied by a fraction, (i) the numerator of which is the difference between 365 and the number of days from the immediately preceding Annual Meeting date through the appointment or election date and (ii) the denominator of which is 365.

c. Annual Awards.

i. An Eligible Director who is serving on the Board as of the date of the annual meeting of the Company's stockholders (the "***Annual Meeting***") each calendar year shall be granted a Restricted Stock Unit award with a value of $200,000 (an "***Annual Award***" and together with the Initial Equity Award, the "***Director Equity Awards***"). The number of Restricted Stock Units subject to an Annual Award will be determined by dividing the value by the closing price for the Company's common stock on the applicable grant date. Each Annual Award shall be granted on the applicable Annual Meeting date, and shall vest in full on the earlier to occur of (i) the one-year anniversary of the applicable grant date and (ii) the date of the next Annual Meeting following the grant date, subject to continued service through the applicable vesting date.

d. Provisions Applicable to Awards.

i. Accelerated Vesting Events. Notwithstanding the foregoing, an Eligible Director's Director Equity Award(s) shall vest in full immediately prior to the occurrence of a Change in Control to the extent outstanding at such time.

ii. Settlement. The Restricted Stock Units subject to any Director Equity Award granted on or after the Effective Date, to the extent vested, will be paid in Shares upon the earlier to occur of (i) the six-month anniversary of the earliest to occur of an Eligible Director's "separation from service" (within the meaning of Section 409A), death or Disability (as defined in the applicable Award Agreement); or (ii) within five days following a Change in Control.

3. Compensation Limits.

Notwithstanding anything to the contrary in this Amended Program, all compensation payable under this Amended Program will be subject to any limits on the maximum amount of non-employee Director compensation set forth in the Equity Plan, as in effect from time to time.

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Exhibit 10.24

OSCAR HEALTH, INC.

AMENDED AND RESTATED DEFERRED COMPENSATION PLAN FOR DIRECTORS

Effective as of December 3, 2024

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OSCAR HEALTH, INC.

AMENDED AND RESTATED DEFERRED COMPENSATION PLAN FOR DIRECTORS

ARTICLE I. DEFINITIONS

1.1. ***"Administrator"*** shall mean the Board or a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

1.2. ***"Board"*** shall mean the Board of Directors of the Company.

1.3. ***"Cash Fee"*** shall mean the quarterly cash retainer payable to a Director pursuant to the Compensation Program for services as a member of the Board, including any retainers payable under the Compensation Program solely for serving as Chairperson of the Board and/or for serving on one or more committees of the Board.

1.4. ***"Change in Control"*** shall mean and include each of the following:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of subsection (c) below) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, any Permitted Holder, an employee benefit plan maintained by the Company or any of its Subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new Director(s) (other than a Director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in subsections
(a) or (c)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the Directors then still in office who either were Directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "***Successor Entity***")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

Notwithstanding the foregoing, for purposes of the Plan, in no event will a Change in Control be deemed to have occurred if such transaction or event does not constitute a “change in control event,” as defined in Treasury Regulation Section 1.409A-3(i)(5).

1.5. ***"Code"*** shall mean the Internal Revenue Code of 1986, as amended and any successor statute thereto.

1.6. ***"Committee"*** shall mean one or more committees or subcommittees of the Board, which may include one or more Directors or executive officers of the Company, to the extent permitted by applicable laws and Rule 16b-3 promulgated under the Exchange Act.

1.7. ***"Common Stock***” shall mean the Class A common stock of the Company, par value $0.00001 per share.

1.8. ***"Company"*** shall mean Oscar Health, Inc. and any corporate successors.

1.9. ***"Compensation Program"*** shall mean the Oscar Health, Inc. Non-Employee Director Compensation Program, as the same may be amended and/or amended and restated from time to time.

1.10. ***“Deferred Compensation Account”*** shall mean an account maintained for each participating Director who makes a Deferral Election (as defined below) as described in Articles II and III below.

1.11. ***“Deferred Stock Unit”*** shall mean a notional unit representing the right to receive one share of Common Stock, that is received by a participating Director pursuant to this Plan and provides for the deferred receipt of Eligible Compensation.

1.12. ***“Director”*** shall mean a non-employee member of the Board.

1.13. ***“Disability”*** shall mean, with respect to a participating Director, that such Director has become “disabled” within the meaning of Section 409A, as determined by the Administrator in good faith.

1.14. ***“Effective Date”*** shall mean the date on which the Plan (as amended and restated) is adopted by the Board.

1.15. ***“Eligible Compensation”*** shall mean, with respect to any Year, (i) any Cash Fee earned during such Year or (ii) any Equity Award granted during such Year to the extent such Equity Award was granted after the Original Effective Date (as defined below) and prior to the Effective Date. For clarity, Eligible Compensation shall not include an Equity Award granted on or after the Effective Date.

1.16. ***“Equity Awards”*** shall mean, as applicable, any Initial Equity Award and/or any Annual Award (each such term, as defined in the Compensation Program).

1.17. ***“Equity Restructuring”*** shall mean, as determined by the Administrator, a non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off or recapitalization through a large, nonrecurring cash dividend, or other large, nonrecurring cash dividend, that affects the shares of Common Stock (or other securities of the Company) or the share price of Common Stock (or other securities of the Company) and causes a change in the per share value of the Common Stock underlying outstanding Deferred Stock Units.

1.18. ***“Exchange Act”*** shall mean the Securities Exchange Act of 1934, as amended.

1.19. ***"Fair Market Value"*** shall mean, as of any date, the value of a share of Common Stock determined as follows: (a) if the Common Stock is listed on any established stock exchange, its Fair Market Value will be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; (b) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the closing sales price on such date, or if no sales occurred on such date, then on the last date preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; or (c) without an established market for the Common Stock, the Administrator will determine the Fair Market Value in its discretion.

1.20. ***"Incentive Plan"*** shall mean the Oscar Health, Inc. 2021 Incentive Award Plan, as it may be amended and/or amended and restated from time to time or any other applicable Company equity incentive plan then-maintained by the Company.

1.21. ***"Permitted Holder"*** shall mean each of the Stockholder Group, any member of the Stockholder Group, Joshua Kushner, Mario Schlosser or any of their respective affiliates.

1.22. ***"Plan"*** shall mean this Amended and Restated Deferred Compensation Plan for Directors, as it may be amended and/or amended and restated from time to time.

1.23. ***"Section 409A"*** shall mean Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder.

1.24. ***"Separation from Service"*** shall mean a "separation from service" (within the meaning of Section 409A).

1.25. ***"Stockholder Group"*** shall mean the "group" (as such term is used in Section 13(d) of the Exchange Act) consisting of Thrive Capital Partners II, L.P., Thrive Capital Partners III, L.P., Thrive Capital Partners V, L.P., Thrive Capital Partners VI Growth, L.P., Claremount TW, L.P., Claremount V Associates, L.P., and Claremount VI Associates, L.P., in each case together with their affiliates.

1.26. ***"Subsidiary"*** shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least 50% of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

1.27. ***"Year"*** shall mean any calendar year.

ARTICLE II. PURPOSE; DEFERRAL ELECTIONS

2.1. Purpose. The purpose of this Plan is to provide the Directors with an opportunity to defer payment of all or a portion of their Eligible Compensation, as set forth herein. As of the Effective Date, the Plan amends and restates in its entirety the Oscar Health, Inc. Deferred Compensation Plan for Directors previously adopted by the Board on February 17, 2022 (the "Original Effective Date").

2.2. Deferral Elections. A Director may elect to defer payment of all or a specified portion of any Eligible Compensation by filing a written election with the Company on a form prescribed by the Company as follows (such an election, a "Deferral Election"):

(a) On or before December 31 of any Year, the Director may elect to defer all or any portion of any Eligible Compensation earned by or granted to (as applicable) such Director during any Year following the Year in which the Deferral Election was made, subject to Sections 2.2(b) and (c) below.

(b) Notwithstanding Section 2.2(a) above, with respect to any Year in which a Director is initially elected or appointed to serve on the Board, such Director may elect no later than 30 days after the Director's commencement of services as a member of the Board to defer all or any portion of any Eligible Compensation earned by or granted to (as applicable) such Director following the later of (i) the date of the Director's commencement of services as a Director and (ii) the date such Director's irrevocable Deferral Election is filed with the Company.

(c) Notwithstanding Section 2.2(a) above, any Director who is first eligible to participate in this Plan on the Effective Date may make an initial Deferral Election no later than 30 days after the Effective Date (or such earlier date as may be specified in the Deferral Election) to defer all or any portion of any Eligible Compensation earned by or granted to (as applicable) such Director following the later of (i) the Effective Date and (ii) the date such Director's irrevocable Deferral Election is filed with the Company.

(d) In each applicable Deferral Election form, the Director shall specify (i) with respect to each participating Director's Cash Fees, the portion of any such Cash Fees which will be subject to deferral hereunder and (ii) with respect to each participating Director's Equity Award(s) (to the extent such Equity Award(s) constitute Eligible Compensation), whether all or none of any such Equity Award(s) will be subject to deferral hereunder (any such deferred compensation, together, the "**Deferred Compensation**").

2.3. Duration of Deferral Elections. Each Deferral Election shall continue in effect from Year to Year unless otherwise terminated in accordance with Article V or by the applicable Director by delivery of a written notice to the Administrator prior to January 1 of the Year in which such termination is first to become effective.

ARTICLE III. DEFERRED COMPENSATION ACCOUNTS

3.1. Deferred Compensation Accounts. The Company shall maintain a bookkeeping Deferred Compensation Account for the Deferred Compensation of each participating Director. With respect to any Deferred Compensation deferred by Director hereunder, such Deferred Compensation shall be denominated in Deferred Stock Units.

3.2. Crediting of Cash Fees. A participating Director's Cash Fees that are deferred hereunder shall be credited to his or her Deferred Compensation Account in the form of Deferred Stock Units on the date the deferred Cash Fees would otherwise have been paid. On such date, the Company shall credit to the Deferred Compensation Account a number of Deferred Stock Units determined by dividing (i) the portion of the Cash Fees that the participating Director elected to defer, by (ii) the Fair Market Value of a share of Common Stock on such date, rounded down to the nearest whole Deferred Stock Unit. A participating Director will be fully vested in each Deferred Stock Unit that relates to deferred Cash Fees.

3.3. Crediting of Equity Awards. A participating Director's Equity Awards that are deferred hereunder (if any) shall be credited to his or her Deferred Compensation Account in an equal number of Deferred Stock Units. The Deferred Stock Units related to such deferred Equity Award shall be subject to the same vesting or other forfeiture restrictions that would have otherwise applied to such Equity Award. In the event the participating Director forfeits Deferred Stock Units in accordance with the foregoing, his or her Deferred Compensation Account shall be debited for the number of Deferred Stock Units forfeited.

3.4. Dividend Equivalents. Each Deferred Stock Unit credited to a Director's Deferred Compensation Account shall carry with it a right to receive dividend equivalents in respect of the share of Common Stock underlying such Deferred Stock Unit. On the date on which any dividend is paid to shareholders of the Company, the Company shall credit such Director's Deferred Compensation Account, with respect to each Deferred Stock Unit credited to such account, with an additional number of Deferred Stock Units equal to the per share value of the dividend so paid divided by the Fair Market Value per share of Common Stock on the date such dividend was paid. To the extent required by the applicable Award Agreement (as defined in the Incentive Plan) evidencing an Equity Award deferred hereunder, the Deferred Stock Units credited with respect to such dividend equivalent shall be subject to the same vesting or other forfeiture restrictions that applies to such Equity Award.

3.5. Adjustments. If adjustments are made to the outstanding shares of Common Stock as a result of an Equity Restructuring, an appropriate adjustment also will be made in the number of Deferred Stock Units credited to each participating Director’s Deferred Compensation Account and/or to the number and kind of shares for which such Deferred Stock Units are outstanding.

ARTICLE IV. PAYMENT OF DEFERRED COMPENSATION

4.1. Payment Events. Subject to Section 4.5 below, payment of any vested Deferred Stock Units shall be made to a participating Director in one lump sum on the earliest to occur of the following events (the “Payment Event”): (i) the Director’s Separation from Service; (ii) a Change in Control; (iii) the Director’s death; or (iv) the Director’s Disability.

4.2. Timing and Form of Payment.

(a) Amounts contained in a participating Director’s Deferred Compensation Account will, subject to Section 4.5 below, be distributed in a lump sum within 45 days following the applicable Payment Event (in any case, such payment date, the “**Payment Date**”), in accordance with the terms and conditions set forth herein. Notwithstanding anything to the contrary contained herein, the exact Payment Date shall be determined by the Company in its sole discretion (and the participating Director shall not have the right to designate the time of payment).

(b) Amounts credited to a Deferred Compensation Account shall be paid in the form of one whole share of Common Stock for each Deferred Stock Unit that has vested in accordance with its terms as of the applicable Payment Date; *provided, that*, (i) the Company may choose in its discretion to pay the participating Director cash in lieu of all or a portion of the shares of Common Stock and (ii) no fractional shares of Common Stock shall be issued and the Administrator shall determine, in its sole discretion, whether cash shall be given in lieu of fractional shares of Common Stock or whether such fractional shares of Common Stock shall be rounded up or down. Deferred Stock Units issued to and shares of Common Stock paid to Directors under the Plan shall be issued and paid from the Incentive Plan.

4.3. Designation of Beneficiary. Each Director shall have the right to designate a beneficiary who is to succeed to his right to receive payments hereunder in the event of the Director’s death (each, a “**Designated Beneficiary**”). Any Designated Beneficiary will receive payments in the same manner as the applicable Director if he had lived. In the event of a Director failing to designate a beneficiary under this Section 4.3 or upon the death of a Designated Beneficiary without a designated successor, the balance of the amounts contained in the Director’s Deferred Compensation Account, if any, shall be payable in accordance with Section 4.2 above to the Director’s estate in full. No designation of a beneficiary or change in beneficiary shall be valid unless in writing signed by the Director and filed with the Administrator. A Designated Beneficiary may be changed without the consent of any prior beneficiary.

4.4. Permissible Acceleration. Notwithstanding Sections 4.1 and 4.2 above, all or a portion of a Director’s Deferred Compensation Account may be distributed prior to the applicable Payment Date upon the occurrence of one or more of the events specified in Treasury Regulation Section 1.409A-3(j)(4), as determined by the Administrator.

4.5. Section 409A Delay. Notwithstanding any contrary provision in the Plan, any payment required to be made hereunder to a Director who is a “specified employee” (as defined under Section 409A and as the Administrator determines) upon his or her Separation from Service will, to the extent necessary to avoid taxes under Section 409A(a)(2)(B)(i) of the Code, be delayed for the six-month period immediately following such Separation from Service (or, if earlier, until the specified employee's death) and will instead be paid (as set forth herein) on the day immediately following such six-month period or death or as soon as administratively practicable thereafter (without interest). Notwithstanding any contrary provision of the Plan, any payment of "nonqualified deferred compensation" under the Plan that may be made in installments shall be treated as a right to receive a series of separate and distinct payments.

ARTICLE V. ADMINISTRATION; EFFECTIVENESS, AMENDMENT AND TERMINATION OF PLAN

5.1. Plan Administrator. The Plan will be administered by the Administrator. The books and records to be maintained for the purpose of the Plan shall be maintained by the Company at its expense. All expenses of administering the Plan shall be paid by the Company.

5.2. Effective Date. The Plan (as amended and restated) was adopted by the Board effective as of the Effective Date.

5.3. Plan Amendment; Termination. The Board may amend, suspend, or terminate the Plan at any time and for any reason. No amendment, suspension, or termination will, without the consent of the Director, materially impair rights or obligations under any Deferred Stock Units previously awarded to the Director under the Plan, except as provided below. The Board may terminate the Plan and distribute the Deferred Compensation Accounts to participants in accordance with and subject to the rules of Treasury Regulation Section 1.409A-3(j)(4)(ix), or successor provisions, and any generally applicable guidance issued by the Internal Revenue Service permitting such termination and distribution.

ARTICLE VI. VI. MISCELLANEOUS

6.1. Limitations on Transferability. Except to the extent required by law, the right of any Director or any beneficiary thereof to any benefit or to any payment hereunder shall not be subject in any manner to attachment or other legal process for the debts of such Director or beneficiary; and any such benefit or payment shall not be subject to alienation, sale, transfer, assignment or encumbrance.

6.2. Limitations on Liability. No member of the Board and no officer or employee of the Company shall be liable to any person for any action taken or omitted in connection with the administration of the Plan unless attributable to his own fraud or willful misconduct, and the Company shall not be liable to any person for any such action unless attributable to fraud or willful misconduct on the part of a Director, officer or employee of the Company.

6.3. Rights as a Stockholder. Deferred Stock Units shall not entitle any Director or other person to rights of a stockholder of the Company or any of its affiliates with respect to such Deferred Stock Units unless and until any shares of Common Stock have been issued to the holder thereof in respect of such Deferred Stock Units pursuant to Article IV above.

6.4. Limitation on Participant's Rights.

(a) The Company shall not be required to acquire, reserve, segregate or otherwise set aside any shares of its Common Stock for the payment of its obligations under the Plan, but shall make available as and when required a sufficient number of shares of its Common Stock to meet the needs of the Plan, subject to the terms and conditions of the Incentive Plan.

(b) Nothing contained herein shall be deemed to create a trust of any kind or any fiduciary relationship. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company

6.5. Severability. If any portion of the Plan or any action taken under it is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provisions had been excluded, and the illegal or invalid action will be null and void.

6.6. Governing Documents. If any contradiction occurs between the Plan and any Deferral Election or other written agreement between a participating Director and the Company that the Administrator has approved, the Plan will govern, unless it is expressly specified in such agreement or other written document that a specific provision of the Plan will not apply.

6.7. Governing Law. The Plan will be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding any state's choice-of-law principles requiring the application of a jurisdiction's laws other than the State of Delaware. The Plan is intended to be construed so that participation in the Plan will be exempt from Section 16(b) of the Exchange Act, pursuant to regulations and interpretations issued from time to time by the Securities and Exchange Commission.

6.8. Titles and Headings. The titles and headings in the Plan are for convenience of reference only and, if any conflict, the Plan's text, rather than such titles or headings, will control.

6.9. Conformity to Securities Laws. Each participating Director acknowledges that the Plan is intended to conform to the extent necessary with applicable laws. Notwithstanding anything herein to the contrary, the Plan will be administered only in conformance with applicable laws. To the extent applicable laws permit, the Plan will be deemed amended as necessary to conform to applicable laws (subject to Section 409A).

6.10. Relationship to Other Benefits. No payment under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company except as expressly provided in writing in such other plan or an agreement thereunder.

* * * * *

Exhibit 10.25

OSCAR HEALTH, INC.

2021 INCENTIVE AWARD PLAN

RESTRICTED STOCK UNIT GRANT NOTICE

Oscar Health, Inc., a Delaware corporation (the "***Company***"), has granted to the participant listed below ("***Participant***") the Restricted Stock Units (the "***RSUs***") described in this Restricted Stock Unit Grant Notice (this "***Grant Notice***"), subject to the terms and conditions of the Oscar Health, Inc. 2021 Incentive Award Plan (as may be amended from time to time, the "***Plan***"), and the Restricted Stock Unit Agreement attached hereto as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:	[Participant Name]
Grant Date:	**[•]**
Number of RSUs:	**[•]**
Vesting Schedule:	Subject to Section 2.1 of the Agreement, 100% of the RSUs granted hereunder shall vest on the earlier of (i) the first anniversary of the Grant Date or (ii) the date of the next annual meeting of the Company's stockholders to occur following the Grant Date, in any case, subject to Participant's continued Service through the applicable vesting date.

By accepting (whether in writing, electronically or otherwise) the RSUs, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

OSCAR HEALTH, INC.		**PARTICIPANT**
By:	—	—
Name:	—	[Participant Name]
Title:	—	

RESTRICTED STOCK UNIT AGREEMENT

Capitalized terms not specifically defined in this Restricted Stock Unit Agreement (this "***Agreement***") have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I. GENERAL

1.1 Award of RSUs and Dividend Equivalent Rights.

(a) The Company has granted the RSUs to Participant effective as of the Grant Date set forth in the Grant Notice (the "***Grant Date***"). Each RSU represents the right to receive one Share as set forth in this Agreement. Participant will have no right to the distribution of any Shares until the time (if ever) the RSUs have vested.

(b) The Company hereby grants to Participant, with respect to each RSU granted hereunder, a Dividend Equivalent for ordinary cash dividends paid to substantially all holders of outstanding Shares with a record date after the Grant Date and prior to the date the applicable RSU is settled, forfeited or otherwise expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends paid on a single Share. The Company will establish a separate Dividend Equivalent bookkeeping account (a "***Dividend Equivalent Account***") for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the amount of any such cash paid. Any Dividend Equivalents granted in connection with the RSUs issued hereunder, and any amounts that may become distributable in respect thereof, shall be treated separately from such RSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A.

1.2 Incorporation of Terms of Plan. The RSUs and Dividend Equivalents are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

1.3 Unsecured Promise. The RSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets.

ARTICLE II. VESTING; FORFEITURE AND SETTLEMENT

2.1 Vesting; Forfeiture. The RSUs will vest according to the vesting schedule in the Grant Notice except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated. In addition, the RSUs will be subject to any accelerated vesting provisions contained in the Company's Non-Employee Director Compensation Program (as amended from time to time). Dividend Equivalents (including any Dividend Equivalent Account balance) will vest upon the vesting of the RSUs with respect to which the Dividend Equivalent (including the Dividend Equivalent Account) relates. In the event of Participant's Termination of Service for any reason, (a) all unvested RSUs will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company or pursuant to the Company's Non-Employee Director Compensation Program and (b) Dividend Equivalents (including any Dividend Equivalent Account balance) will be forfeited upon the forfeiture of the RSUs with respect to which the Dividend Equivalent (including the Dividend Equivalent Account) relates.

2.2 Settlement.

(a) The RSUs, to the extent vested, and Dividend Equivalents (including any Dividend Equivalent Account balance) will, in any case, be paid in Shares upon the earlier of: (i) the six-month anniversary of the earliest to occur of Participant's "separation from service" (within the meaning of Section 409A), death or Disability (as defined below); or (ii) within five days following a Change in Control (in any case, such payment date, the "***Payment Date***"). Notwithstanding anything to the contrary contained herein, the exact Payment Date shall be determined by the Company in its sole discretion (and Participant shall not have the right to designate the time of payment).

(b) Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)); provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A. For the avoidance of doubt, any Dividend Equivalents granted in connection with the RSUs issued hereunder, and any amounts that may become distributable in respect thereof, shall be treated separately from such RSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A.

2.3 Certain Definitions.

(a) "***Disability***" shall, notwithstanding anything to the contrary herein or in the Plan, mean that Participant has become "disabled" within the meaning of Section 409A, as determined by the Administrator in good faith.

ARTICLE III. TAXATION AND TAX WITHHOLDING

3.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this award of RSUs and Dividend Equivalents (the "***Award***") and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

3.2 Tax Withholding. Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs and Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs or Dividend Equivalents. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and its Subsidiaries do not commit and are under no obligation to structure the RSUs or Dividend Equivalents to reduce or eliminate Participant's tax liability.

3.3 Section 409A.

(a) *General.* To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any such regulations or other guidance that may be issued after the effective date of this Agreement.

(b) *Non-Qualified Deferred Compensation*. Sections 10.6(b) and (c) of the Plan shall apply to the RSUs, Dividend Equivalents and this Agreement. For purposes of Section 409A, each RSU (and the right to payment with respect to each RSU) is to be treated as a right to a separate payment.

ARTICLE IV. OTHER PROVISIONS

4.1 Adjustments. Participant acknowledges that the RSUs, the Shares subject to the RSUs and the Dividend Equivalents are subject to adjustment, modification and/or termination in certain events as provided in this Agreement and the Plan.

4.2 Clawback. The Award and the Shares issuable hereunder shall be subject to any clawback or recoupment policy in effect on the Grant Date or as may be adopted or maintained by the Company following the Grant Date, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder.

4.3 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's General Counsel at the Company's principal office or the General Counsel's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant (or, if Participant is then deceased, to the Designated Beneficiary) at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.4 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.5 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.6 Successors and Assigns. The Company may assign any of its rights under this Agreement to a single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.7 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the RSUs and Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.8 Entire Agreement; Amendment. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; provided, however, that except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall materially and adversely affect the RSUs or Dividend Equivalents without the prior written consent of Participant.

4.9 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.10 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the RSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

4.11 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

4.12 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

* * * * *

Oscar Health, Inc.
Insider Trading Compliance Policy

Oscar Health, Inc. (the "Company") seeks to promote a culture that encourages ethical conduct and a commitment to compliance with the law. We require our personnel to comply at all times with federal laws and regulations governing insider trading. This policy sets forth procedures designed to help comply with these laws and regulations.

Persons Covered

You must comply with this policy if you are:

- a director, officer or employee of the Company;
- a contractor or consultant of the Company, or other person designated by the Company; or
- an entity controlled by a person subject to this policy.

Individuals subject to this policy are responsible for ensuring that members of their household, and other family members who do not reside in the individual's household but whose transactions are directed by the individual or subject to influence or control by the individual, comply with this policy.

Policy Statement

Unless otherwise permitted by this policy, you must not:

- purchase, sell, gift or otherwise transfer any security of the Company while you possess material nonpublic information about the Company;
- purchase, sell, gift or otherwise transfer any security of any other company while you possess material nonpublic information about the other company that you obtained in connection with your employment by or service to the Company;
- directly or indirectly communicate material nonpublic information about the Company to anyone outside the Company unless you follow Company policy regarding confidential information; or
- directly or indirectly communicate material nonpublic information about the Company to anyone within the Company except on a need-to-know basis.

For this purpose:

- *securities* includes stocks, bonds, notes, debentures, options, warrants, equity and other convertible securities, as well as derivative instruments;

- *purchase* includes not only the actual purchase of a security, but also any contract to purchase or otherwise acquire a security;
- *sale* includes not only the actual sale of a security, but also any contract to sell or otherwise dispose of a security;
- *material* means likely to have a significant effect on the market price of the security (also understood to mean a substantial likelihood that a reasonable investor would consider the information important in making an investment decision); and
- *nonpublic* means not broadly disseminated to the general public so that investors have been able to factor the information into the market price of the security.

To understand how these terms apply to specific circumstances, or for any other questions about this policy, you should contact trading@hioscar.com.

Quarterly Blackout Periods

The Chief Legal Officer, or his or her designee (the "Policy Adminstatorr"), will designate a list of persons who (with their controlled entities and household and other family members as specified above) must not purchase, sell, gift or otherwise transfer any security of the Company during any blackout period, except as otherwise permitted by this policy.

The quarterly blackout periods:

- begin:
    - seven calendar days prior to the end of the last month of each of the first, second and third fiscal quarters (i.e., at 11:59 pm (ET) on March 24th, June 23rd and September 23rd); and
    - on the 15th calendar day of the last month of the fourth fiscal quarter (i.e., at 11:59 pm (ET) on December 14th); and
- end after completion of the second full trading day[1] on the New York Stock Exchange after the earnings release for that quarter.

Additional Blackout Periods

From time to time, the Policy Administrator may determine that an additional blackout period is appropriate. Persons subject to an additional blackout period must not purchase, sell, gift or otherwise transfer any security of the Company, except as otherwise permitted by this policy, and must not disclose that an additional blackout period is in effect.

[1] A "trading day" is a day on which the New York Stock Exchange is open for trading. If, for example, the Company were to make an earnings announcement on Monday prior to 9:30 a.m. Eastern Time, then the blackout period would terminate after the close of trading on Tuesday. If an announcement were made on Monday after 9:30 a.m. Eastern Time, then the blackout period would terminate after the close of trading on Wednesday.

Pre-Clearance of Transactions

The Policy Administrator will designate a list of persons who (with their controlled entities and household and other family members as specified above) must pre-clear each transaction in any security of the Company.

To submit a pre-clearance request, you must follow the procedures established by the Policy Administrator.

Pre-clearance approval:

- may be granted or withheld in the sole discretion of the Policy Administrator (or the Chief Financial Officer for transactions by the Chief Legal Officer);
- remains valid for five business days;
- remains subject to your independent obligation to confirm that you do not possess material nonpublic information at the time of your transaction;
- will not constitute legal advice that a proposed transaction complies with applicable law; and
- will not result in liability to the Company or any other person if delayed or withheld.

Exempt Transactions

This policy, except for provisions set forth in the Prohibited Transactions section below, does not apply to:

- transactions directly with the Company;
- gift transactions for family or estate planning purposes, where securities are gifted to a person or entity subject to this policy, except that gift transactions involving Company securities are subject to pre-clearance;
- transactions relating to equity incentive awards without any open-market sale of securities (e.g., cash exercises of stock options or the "net settlement" of restricted stock units but not broker-assisted cashless exercises or open-market sales to cover taxes upon the vesting of restricted stock units);
- "sell-to-cover" transactions pursuant to a non-discretionary policy adopted by the Company that is intended to facilitate the payment of withholding taxes associated with vesting of equity awards (other than stock options); or
- transactions pursuant to a contract, plan or instruction to trade in the Company's securities entered in accordance with Rule 10b5-1 adopted as set forth in the Trading Plans section below.

Trading Plans

The restrictions in this policy, except for provisions set forth in the Prohibited Transactions section below, do not apply to transactions under a trading plan that satisfies the conditions of Rule 10b5-1 (a "Trading Plan") and that the Plan Administrator (or the Chief Financial Officer for a Trading Plan of the Chief Legal Officer) has pre-approved.

Any adoption of, modifications to and terminations of a Trading Plan must be pre-approved by the Plan Administrator (or the Chief Financial Officer for Trading Plans of the Chief Legal Officer). Any adoption of, or modifications to, a Trading Plan may only be made outside of a blackout period when you do not possess material nonpublic information.

To submit a request to adopt, modify or terminate a Trading Plan, you must follow the procedures established by the Chief Legal Officer.

Prohibited Transactions

You may not engage in:

- short sales of the Company's securities (i.e., sales of shares that you do not own at the time of sale);
- options trading[2] involving the Company's securities, including puts, calls, or other derivative securities on an exchange, an over-the-counter market, or any other organized market;
- hedging transactions, such as prepaid variable forward contracts, equity swaps, collars, exchange funds, or other transactions that hedge or offset any decrease in market value of the Company's equity securities; and
- pledging Company securities as collateral for a loan, purchasing Company securities on margin (i.e., borrowing money to purchase the securities), or placing Company securities in a margin account.

Post-Termination Transactions

If you possess material nonpublic information when your employment by or service to the Company terminates, the restrictions set forth in "Policy Statement" above continue to apply until that information has become public or is no longer material.

Policy Administration

The Plan Administrator has authority to interpret, implement and administer this policy, to the extent consistent with its general purpose and applicable securities laws. The Chief Legal Officer has authority to amend this policy, including waiving the terms of the policy, provided that the Board will approve any waiver of the terms of this policy for directors or executive officers. The

[2] For the avoidance of doubt, this does not apply to exercises of stock options granted to employees by the Company or to sales of the underlying shares.

Chief Financial Officer will administer the policy as it applies to any trading activity by the Chief Legal Officer.

<u>Certification of Compliance</u>

You may be asked periodically to certify your compliance with the terms and provisions of this policy.

Exhibit 21.1

Subsidiaries of Oscar Health, Inc.

Legal Name	Jurisdiction of Incorporation or Organization
Mulberry Insurance Agency, Inc.	New York
Oscar Management Corporation[1]	Delaware
Oscar Buckeye State Insurance Corporation	Ohio
Oscar Garden State Insurance Corporation	New Jersey
Oscar Health Maintenance Organization of Florida, Inc.	Florida
Oscar Health Plan of California	California
Oscar Health Plan of Georgia	Georgia
Oscar Health Plan of New York, Inc.	New York
Oscar Health Plan of North Carolina, Inc.	North Carolina
Oscar Health Plan of Pennsylvania Inc	Pennsylvania
Oscar Health Plan, Inc.	Arizona
Oscar Insurance Company[2]	Texas
Oscar Insurance Company of Florida	Florida
Oscar Insurance Corporation	New York
Oscar Insurance Corporation of Ohio	Ohio
Oscar South Florida HoldCo, LLC	Delaware
Oscar Managed Care of South Florida, Inc.[3]	Florida

1 D/b/a “Oscar Health Administrators” in California.
2 D/b/a “Oscar Managed Care” in Texas.
3 100% of voting power held by Oscar South Florida HoldCo, LLC.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No.333-253817, No. 333-263057, No. 333-264205, No. 333-266835, No. 333-269979, No. 333-270890, and 333-277112) of Oscar Health, Inc. of our report dated February 20, 2025 relating to the financial statements, financial statement schedule, and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Philadelphia, PA
February 20, 2025

Exhibit 31.1

CERTIFICATION

I, Mark T. Bertolini, certify that:

1. I have reviewed this Annual Report on Form 10-K of Oscar Health, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2025

By: /s/ Mark T. Bertolini

Mark T. Bertolini
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, R. Scott Blackley, certify that:

1. I have reviewed this Annual Report on Form 10-K of Oscar Health, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2025

By: /s/ R. Scott Blackley

R. Scott Blackley
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Oscar Health, Inc. (the “Company”) for the period ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2025	By:	/s/ Mark T. Bertolini
		Mark T. Bertolini
		Chief Executive Officer
		(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Oscar Health, Inc. (the "Company") for the period ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2025	By:	/s/ R. Scott Blackley
		R. Scott Blackley
		Chief Financial Officer
		(Principal Financial Officer)