REIMAGINE

BETA HEALTHCARE GROUP | 2025 ANNUAL REPORT


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REIMAGINE

Healthcare is always in a state of change. Navigating market dynamics and shifts in population and demographics, optimizing throughput and care coordination and managing costs while advancing AI and digital innovation. Incremental change can lead to transformation, but transformation is the process of changing one thing into another. With both strategic and structural forces at play, evolution, not transformation, is needed for hospitals and healthcare organizations to thrive into the future. It's going to take reimagining the business and how care is delivered – at an enterprise level. With an enterprise view of risk in healthcare, BETA Healthcare Group has the knowledge, skills, and tools to help.

THINKING DIFFERENTLY

There was a time when taking care of the sick and injured, collecting payment or billing their insurance companies, staffing appropriately, and ensuring each department ran smoothly were key to operational success. That's not to say there weren't challenges, but it's become more complicated. There are many additional factors impacting finances: demands for care are increasing while the workforce is shrinking, and aligning people, processes, and technology at scale is challenging. Healthcare leadership is facing a watershed moment, where thinking differently, deep collaboration and strategic agility are imperative for future success, as healthcare is poised to change more in the next five years than in the previous hundred.

PATIENT FLOW AND THROUGHPUT: THE ED

Part of thinking differently is developing strategies to deliver care efficiently and safely, focusing on areas that will have the greatest impact on the organization, its patients, and its employees in the long term. One of those areas is patient flow. It has a major financial impact on a healthcare organization as efficient patient flow can lower costs, improve patient care, increase staff satisfaction, and improve cash flow and financial performance. The emergency department is a case in point. More patients are accessing the emergency department. Those without insurance, those having trouble accessing primary care, patients who have delayed care and are now presenting with higher acuity issues. If that weren't enough, in the U.S., we are in a well-documented mental health crisis, and one in eight ED visits relates

Building trust, nurturing talent, and strengthening culture play a part in driving organizational performance.

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ORGANIZATIONS PARTICIPATING IN
BETA HEART®

to a behavioral health condition, contributing to overcrowding and lengthy patient wait times. This increased influx of patients leads to boarding in the ED while awaiting transfer to an inpatient bed, an observational unit, or placement to a post-acute or behavioral health facility. Boarding in the ED can impact quality of care and contribute to patient harm, increase the risk of both verbal and physical abuse of staff, and exacerbate burnout among clinicians and healthcare workers.

CHANGING CULTURE

Proactive planning for beds and resources can help with surge situations and ED boarding, but process tweaks can only go so far. For a practice that has become commonplace, it takes culture change and shared accountability to address not only issues affecting capacity, but also to instill best practices in communication, ongoing monitoring, care coordination across teams and the ambulatory, ED, and inpatient continuum, including handoffs and proper discharge. The ED can be viewed as a microcosm of the organization as a whole. Culture change starts with curiosity, attention, voice, and organizational learning. Actions that encourage speaking up, give attention and credence to the frontline, and break down silos promote the type of cross-functional teamwork and shared learning that have a positive impact on quality and safety, metrics, and outcomes. At an enterprise level, redesigning care flows across all patient settings, creating stronger accountability structures for patient and employee safety, building trust, nurturing talent, and strengthening culture can lead to an evolution of the business that drives organizational performance.

THE BETA WAY

This is where BETA can plug in. While one may not think of their insurance company as a partner in enterprise change, the risks we see daily and over our 47-year history inform and drive the development of our programs, resources, and tools. Our Claims reports summarize claims history for understanding patterns and identifying areas for safety improvements and operational changes, and our Risk Management and Safety online dashboards provide members with a holistic view and a risk profile that can help organizations make data-driven decisions for prioritizing risks with the greatest impact on patient and employee safety and the delivery of quality care.

Programs and Initiatives Support Change and Employee Engagement

Our BETA HEART® communication and resolution program (CRP) activates culture, communication and engagement at all levels of a healthcare organization. Programs and regional training available to members foster team communication, build a peer support structure, instill best practices for safe patient handling and mobility, promote strategies and tactics for workplace violence prevention, and support total worker health and well-being. Participation in these initiatives, while boosting teamwork and interdepartmental understanding, also builds trust — the greatest currency in healthcare.

Managing Risk Through

EXPERTISE

PROGRAMS

BETA offers a host of patient and employee safety programs, webinars, and workshops that deliver timely information and education that our members can immediately put into practice.

RISK CONSULTING

Our Risk Management and Safety team partners with hospitals, health plans and healthcare organizations in consulting engagements to strengthen culture and operationalize safety at a foundational level.

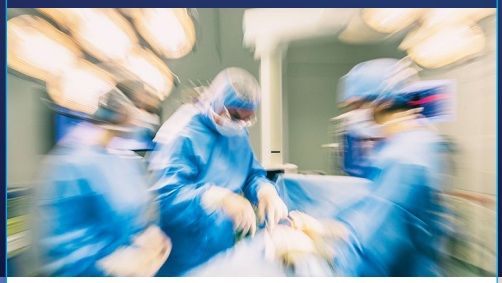
INCENTIVE PROGRAMS

BETA HEART® Program

Employee Safety & Wellness Initiative

Quest for Zero: Excellence in ED

Quest for Zero: Excellence in OB



COVERAGES

Coverages include:

- Healthcare Entity Comprehensive Liability
- Excess Healthcare Entity Comprehensive Liability
- Workers' Compensation
- Excess Workers' Compensation
- Medical Group Professional Liability
- Directors, Officers and Trustees Liability
- Employment Practices Liability
- Automobile Liability and Physical Damage

Chair and CEO Letter

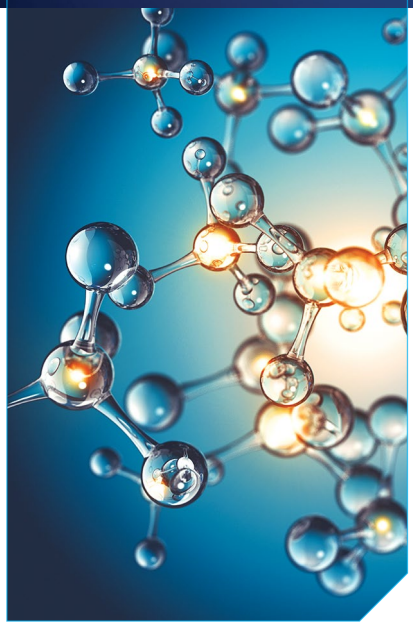
REIMAGINE

Donna Hefner, *Chair*
President and CEO
SIERRA VIEW MEDICAL CENTER

Corey Grove, *CEO*
BETA HEALTHCARE GROUP

Healthcare is poised to change more in the next five years than in the previous one hundred.

Healthcare has changed tremendously over the last few decades, especially in the last few years. From hospitals at the epicenter of care, healthcare is now a distributed, interconnected, and interdependent ecosystem that includes hospitals, clinics, medical groups, ambulatory care, virtual care, and home care. Hospitals are no longer just a collection of departments or a campus of buildings. This ecosystem is constantly changing, driven by new technologies and AI, personalized medicine with an increasing focus on proactive wellness, value-based care, and a seamless patient experience. As healthcare organizations reimagine delivering patient care at the right time and in the right place and architecting their businesses for the future, BETA Healthcare Group is also reimagining itself as healthcare evolves. We continue to build our culture and capabilities while staying true to our mission of partnering with our members to manage risk, delivering innovative solutions that serve new realities and ways of doing business and ultimately help our members succeed.



AI AT BETA

With hospitals, health systems and healthcare organizations serving as key proving grounds for AI, more than 40 million people turning to ChatGPT for health information, and chatbots increasingly in use by clinicians, patients and healthcare personnel, BETA employees are turning to AI tools to work more efficiently. We are using AI for research, drafting communications, generating ideas, and problem-solving, employing it as an adjunct to our work, thinking "with" AI rather than "through" AI. In addition, our Data & Technology Department is using "Rovo," the AI teamwork tool embedded in Jira and Confluence, to accelerate the knowledge sharing that goes into building and powering our member dashboards. At an enterprise level, AI will enable strategic agility, productivity uplift, and a cultural shift toward human-AI collaboration, with a BETA AI Policy that lays the foundation for the safe and innovative use of AI across BETA while requiring employees to be the "human in the loop."

REIMAGINING DEI

Creating a shared space at BETA in which we can expand our understanding of and engagement with one another by leading with our culture and shared values was the impetus for reimagining diversity, equity, and inclusion (DEI) at BETA. The BETA Culture Committee, with

consultant Geronda Wollack-Spiller, convened a series of discussion sessions in which employees shared ideas and feedback on how we could reframe DEI at BETA and create a common language that invites more people in. The sessions were a great success, and with the thoughtful discussion and honest feedback, we are well on our way towards creating a framework for rebranding DEI at BETA in a way that ensures the message is more inclusive, the values resonate with everyone, and employees feel their voices are heard in building a respectful, fair, and connected workplace for all.

GO WEST!

Since the earliest days at BETA, when twenty-two district hospitals banded together to form a hospital-governed risk-sharing pool to establish a stable market for medical professional liability and workers' compensation coverage in California, our roots have been firmly in the West, and serving California, Oregon, and Washington is at the heart of what we do. In reimagining our brand presence for our digital channels, including the BETA website and Member Area portal, we decided to lean into those roots. We've started a redesign reboot for these online properties that will not only feature imagery of the West's natural beauty and pioneering spirit but also deliver a streamlined user experience with simple content, a balanced, uncluttered design, and thoughtful navigation. We can't wait to show you what we've been working on.

GOODBYE TO TOM PARKER

Tom Parker announced his retirement and stepped down as CEO of Mammoth Hospital, a critical access hospital with 12 outpatient clinics, and recently departed the BETA Council. He led Mammoth for more than seven years, overseeing the single-largest expansion in its history, and brought a wealth of experience to the BETA Council. We wish him the best in retirement and his future endeavors.

FINANCIAL HIGHLIGHTS

BETA's gross member contributions written were $211 million, 4% higher than budgeted for 2025, and we added $6.4 million in new business. Net income from operations was $2.5 million. Total assets were $817 million. The BETA Council has authorized $4.2 million in member dividends — the 34th consecutive year that BETA has returned dividends to its members.

A NEW FUTURE

Hospitals, health systems and healthcare organizations of all types were not designed for the volumes, the speed of life, the complexity of systems and processes we experience today. It is going to take doing healthcare differently and reimagining the way care has always been delivered to move forward. Amplifying empathy, inspiring teams and creating organizations where people feel valued and empowered move organizations beyond transformation, which is often a result of discrete projects, to evolution, where organizations focus on executing what they do best, adapt to change, employ system-level thinking, and learn and improve every day. BETA will work alongside its members on their journey to deliver exceptional patient care and create cultures and environments where patients want to return, employees want to stay, and communities feel seen.

2025 Financial

STATEMENTS

BETA HEALTHCARE GROUP

Statements of Net Position *as of December 31, 2025 and 2024*

	2025	2024
ASSETS		
Cash and investments:		
Cash and cash equivalents	$16,200,040	$28,468,472
Investments in marketable securities	697,821,896	640,958,858
Total Cash and Investments	**714,021,936**	**669,427,330**
Member contributions receivable	67,006,570	70,809,315
Reinsurance recoverable on paid losses	5,012,331	4,088,267
Accrued investment income	5,014,244	4,389,671
Federal income taxes receivable	–	45,482
Receivable for securities	423,976	8,244
Other assets	8,551,058	7,218,897
Property and equipment, net	11,908,864	13,818,083
Net pension asset	2,103,885	1,613,242
Net OPEB asset	–	618,525
Deferred pension outflow	1,928,113	3,577,082
Deferred OPEB outflow	1,474,587	–
Total Assets	**$817,445,564**	**$775,614,138**
LIABILITIES AND NET POSITION		
Liabilities:		
Reserve for losses and loss adjustment expenses:		
Current	$108,162,118	$96,791,070
Noncurrent	299,575,539	288,071,243
Reserve for loss control programs	1,199,162	1,201,617
Dividends to members	6,987,657	9,729,682
Unearned member contributions	96,348,126	90,645,540
Reinsurance premiums payable	19,065,166	26,934,030
Payable for securities	1,102,256	–
Accounts payable and accrued liabilities	19,042,050	16,519,112
Net pension liability	877,145	3,197,156
Net OPEB liability	1,303,578	–
Deferred OPEB inflow	–	181,127
Total Liabilities	**553,662,797**	**533,270,577**
Net Position:		
Net investment in capital assets	11,908,864	13,818,083
Unrestricted	251,873,903	228,525,478
Total Net Position	**263,782,767**	**242,343,561**
Total Liabilities and Net Position	**$817,445,564**	**$775,614,138**

Statements of Revenues, Expenses, and Changes in Net Position *as of December 31, 2025 and 2024*

	2025	2024
Revenues:		
Member contributions earned	$207,394,834	$198,471,276
Member contributions ceded	(41,821,324)	(51,298,709)
Net Member Contributions Earned	**165,573,510**	**147,172,567**
Net investment income	26,610,631	20,987,237
Other income	1,026,875	2,063,185
Total Revenues	**193,211,016**	**170,222,989**
Expenses:		
Losses and loss adjustment expenses, net	142,690,166	118,177,701
Operating expenses	47,991,742	47,101,324
Total Expenses	**190,681,908**	**165,279,025**
Net Income from Operations	**2,529,108**	**4,943,964**
Other changes in net position:		
Member surplus funds distributed, net	(178,481)	–
Change in net unrealized (losses) gains on investments	22,663,892	1,494,676
Member dividends returned	624,687	136,702
Member dividends declared	(4,200,000)	(6,200,000)
Change in Net Position	**21,439,206**	**375,342**
Net Position, at Beginning of Year	**242,343,561**	**241,968,219**
Net Position, at End of Year	**$263,782,767**	**$242,343,561**

BETA Council and LEADERSHIP

BETA COUNCIL

Donna Hefner (Chair)
President and CEO
SIERRA VIEW MEDICAL CENTER

Scott Chapple (Vice Chair)
COO, OROVILLE HOSPITAL

Michael J. Wallace (Treasurer-Auditor)
Director, WASHINGTON HOSPITAL HEALTHCARE SYSTEM

Dave Morony (Secretary)
CFO, CASA COLINA HOSPITAL AND CENTERS FOR HEALTHCARE

John Fankhauser, M.D.
CEO, VENTURA COUNTY MEDICAL CENTER

Pamela Hamilton, RN, J.D.
Vice President of Risk Management
CEDARS-SINAI MEDICAL CENTER

Tom Parker
CEO, MAMMOTH HOSPITAL

Mark Turner
CEO, MOUNTAINS COMMUNITY HOSPITAL

Kevin Woodward
Vice President and CFO, ENLOE HEALTH

Corey Grove (Ex-Officio Member)
CEO, BETA HEALTHCARE GROUP

SENIOR LEADERSHIP

Corey Grove, J.D., CPCU
Chief Executive Officer

Heather Gocke, M.S., RN, CPHRM, C-EFM
Vice President of Risk Management and Safety

April Johnson, J.D., CPCU, CPHRM
Vice President of Claims and Corporate Compliance

Abiy Moges, CPA
Vice President of Finance and CFO

Michele Reager, CPCU
Vice President of Underwriting

Kortney Riddle, SPHR, SHRM-SCP
Vice President of People Operations

Bill Scribner
Vice President of Data & Technology

ADVISORS

Actuary
WILLIS TOWERS WATSON

Auditor
JLK ROSENBERGER, LLP

General Counsel
BEST BEST & KRIEGER LLP
GOODSILL

Investment Managers
ALLSPRING GLOBAL INVESTMENTS
GALLIARD CAPITAL MANAGEMENT
INCOME RESEARCH + MANAGEMENT


BETA IS RATED
"A" (Excellent)
BY AM BEST COMPANY
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BETA
HEALTHCARE GROUP

BETA Healthcare Group provides professional liability and workers' compensation coverages to protect hospitals, health centers, clinics, hospices, medical groups, physicians and other healthcare workers.

BETA coverages:

Healthcare Entity Comprehensive Liability
Excess Healthcare Entity Comprehensive Liability
Workers' Compensation
Excess Workers' Compensation
Medical Group Professional Liability
Directors, Officers and Trustees Liability
Employment Practices Liability
Automobile Liability and Physical Damage

Alamo	925.838.6070
Glendale	818.242.0123
Granite Bay	916.266.6100
San Diego	858.675.7400

betahg.com