UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

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: 001-39252

Clover Health Investments, Corp.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**98-1515192**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
Not Applicable[(1)]	**Not Applicable**[(1)]
(Address of principal executive offices)	**(Zip Code)**

Not Applicable[(1)]

Registrant's telephone number, including area code

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, par value $0.0001 per share	**CLOV**	**The NASDAQ Stock Market LLC**

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At August 1, 2025, the registrant had 420,139,394 shares of Class A Common Stock, $0.0001 par value per share, and 92,373,157 shares of Class B Common Stock, $0.0001 par value per share, issued and outstanding.

(1) We are a remote-first company. Accordingly, we do not maintain a headquarters. For purposes of compliance with applicable requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, stockholder communications required to be sent to our principal executive offices may be directed to the email address: secretary@cloverhealth.com, or to our agent for service of process at The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

As used in this report, "Company," "Clover," "Clover Health," "we," "us," "our," "our company," and similar terms refer to Clover Health Investments, Corp. and its condensed consolidated subsidiaries, unless otherwise noted or the context otherwise requires.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of 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 contained in this Quarterly Report on Form 10-Q, other than statements of historical fact, including statements regarding our future results of operations, financial position, market size and opportunity, our business strategy and plans, the factors affecting our performance and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "could," "should," "would," "can," "expect," "project," "outlook," "forecast," "objective," "plan," "potential," "seek," "grow," "target," "if," and the negative or plural of these words and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including the risk factors described in Part II, Item 1A, “Risk Factors” of this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Forward-looking statements contained in this Quarterly Report on Form 10-Q involve a number of judgments, risks and uncertainties, including, without limitation, risks related to:

- our expectations regarding results of operations, financial condition, and cash flows;
- our expectations regarding the development and management of our Insurance business;
- our ability to maintain and increase adoption and use of Clover Assistant, including the expansion of Clover Assistant technology for external payors and providers serving the Medicare eligible population under the brand name Counterpart Assistant;
- our ability to successfully enter new service markets and manage our operations;
- anticipated trends and challenges in our business and in the markets in which we operate;
- any current, pending, or future legislation, regulations or policies that could have a negative effect on our revenue, profit margins, cash flows and business, including, without limitation The Patient Protection and Affordable Care Act, or the ACA, and other rules, regulations, and policies relating to healthcare, Medicare generally and medical loss ratios;
- our ability to effectively manage our beneficiary base and provider network;
- the anticipated benefits associated with the use of Clover Assistant, including our ability to utilize the platform to manage our medical loss ratios;
- our ability to maintain or improve our Star Ratings or otherwise continue to improve the financial performance of our business;
- our ability to develop new features and functionality that meet market needs and achieve market acceptance;
- our ability to retain and hire necessary employees and staff our operations appropriately;
- the timing and amount of certain investments in growth;
- the outcome of any known and unknown litigation and regulatory proceedings;
- fluctuations in the price of our Class A common stock and our continued compliance with Nasdaq's listing requirements;
- our ability to maintain, protect, and enhance our intellectual property;
- general economic conditions and uncertainty; and
- persistent high inflation and fluctuating interest rates.

We caution you that the foregoing list of judgments, risks, and uncertainties that may cause actual results to differ materially from those in the forward-looking statements may not be complete. You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur or may be materially different from what we expect. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we undertake no obligation to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q or to conform these statements to actual results or revised expectations.

This Quarterly Report on Form 10-Q contains estimates, projections, and other information concerning our industry, our business, and the markets for our products. We obtained the industry, market, and similar data set forth in this Quarterly Report on Form 10-Q from our own internal estimates and research and from industry research, publications, surveys, and studies conducted by third parties, including governmental agencies, and such information is inherently subject to uncertainties. Actual events or circumstances may differ materially from events and circumstances that are assumed in this information. You are cautioned not to give undue weight to any such information, projections or estimates.

As a result of a number of known and unknown risks and uncertainties, including without limitation, the important factors described in our reports filed with the SEC, including the discussion under "Risk Factors" in this Quarterly Report on Form 10-Q, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements.

Additional Information

Our website address is www.cloverhealth.com. Our filings with the SEC are posted on our website and available free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The content on our website or on any other website referred to in this document is not incorporated by reference in this document. Further, the Company's references to website URLs are intended to be inactive textual references only.

Channels for Disclosure of Information

Investors and others should note that we routinely announce material information to investors and the marketplace using filings with the SEC, press releases, public conference calls, presentations, webcasts, and the investor relations page of our website at investors.cloverhealth.com. We use the investor relations page of our website for purposes of compliance with Regulation FD and as a routine channel for distribution of important information, including news releases, analyst presentations, financial information, and corporate governance practices. We also use certain social media channels as a means of disclosing information about the Company and our products to our customers, investors, and the public, including @CloverHealth and #CloverHealth on X and the LinkedIn accounts of our Chief Executive Officer, Andrew Toy, and our Chief Financial Officer, Peter Kuipers. The information posted on social media channels is not incorporated by reference in this report or in any other report or document we file with the SEC. While not all of the information that we post to the investor relations page of our website or to social media accounts is of a material nature, some information could be deemed to be material. Accordingly, we encourage investors, the media, and others interested in the Company to review the information that we share on our investor relations page of our website at investors.cloverhealth.com and to sign up for and regularly follow our social media accounts. Users may automatically receive email alerts and other information about the Company when enrolling an email address by visiting "Email Alerts" in the "Investor Resources" section of our website at investors.cloverhealth.com.

PART 1

Item 1. Financial Statements and Supplementary Data

CLOVER HEALTH INVESTMENTS, CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share amounts)

	June 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 188,648	$ 194,543
Investment securities, available-for-sale (Amortized cost: 2025: $11,161; 2024: $27,153)	10,856	26,997
Investment securities, held-to-maturity (Fair value: 2025: $1,766; 2024: $15)	1,768	15
Accrued retrospective premiums	84,454	41,253
Healthcare receivables	46,893	51,539
Prepaid expenses	15,252	13,174
Other assets, current	15,068	15,603
Total current assets	362,939	343,124
Investment securities, available-for-sale (Amortized cost: 2025: $174,988; 2024: $203,147)	175,470	201,719
Investment securities, held-to-maturity (Fair value: 2025: $12,370; 2024: $13,913)	12,526	14,343
Property and equipment, net	5,201	5,307
Other intangible assets	2,990	2,990
Other assets, non-current	15,861	13,259
Total assets	$ 574,987	$ 580,742
Liabilities and Stockholders' Equity		
Current liabilities		
Unpaid claims	$ 139,660	$ 156,396
Accounts payable and accrued expenses	33,951	34,564
Accrued salaries and benefits	25,184	19,090
Other liabilities, current	3,153	3,466
Total current liabilities	201,948	213,516
Other liabilities, non-current	28,860	26,083
Total liabilities	230,808	239,599
Commitments and Contingencies (Note 12)		
Stockholders' equity		
Class A Common Stock, $0.0001 par value; 2,500,000,000 shares authorized at June 30, 2025 and December 31, 2024; 418,386,775 and 414,493,051 issued and outstanding at June 30, 2025 and December 31, 2024, respectively	42	41
Class B Common Stock, $0.0001 par value; 500,000,000 shares authorized at June 30, 2025 and December 31, 2024; 92,375,003 and 89,032,305 issued and outstanding at June 30, 2025 and December 31, 2024, respectively	9	9
Additional paid-in capital	2,630,021	2,576,471
Accumulated other comprehensive income (loss)	177	(1,584)
Accumulated deficit	(2,214,655)	(2,202,803)
Less: Treasury stock, at cost; 28,132,383 and 18,752,947 shares held at June 30, 2025 and December 31, 2024, respectively	(71,415)	(30,991)
Total stockholders' equity	344,179	341,143
Total liabilities and stockholders' equity	$ 574,987	$ 580,742

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

CLOVER HEALTH INVESTMENTS, CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands, except per share and share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
Premiums earned, net (Net of ceded premiums of $96 and $102 for the three months ended June 30, 2025 and 2024 respectively, and $192 and $203 for the six months ended June 30, 2025 and 2024, respectively.)	$ 469,826	$ 349,900	$ 926,732	$ 691,622
Other income	7,794	6,360	13,219	11,560
Total revenues	477,620	356,260	939,951	703,182
Operating expenses:				
Net medical claims incurred	377,992	248,347	731,434	513,509
Salaries and benefits	61,309	55,499	120,331	114,722
General and administrative expenses	48,484	44,424	99,159	88,993
Depreciation and amortization	394	330	860	648
Restructuring costs	—	473	—	826
Total operating expenses	488,179	349,073	951,784	718,698
(Loss) income from continuing operations	(10,559)	7,187	(11,833)	(15,516)
Change in fair value of warrants	19	17	19	17
Loss on investment	—	—	—	467
Net (loss) income from continuing operations	(10,578)	7,170	(11,852)	(16,000)
Net income from discontinued operations	—	238	—	4,238
Net (loss) income	$ (10,578)	$ 7,408	$ (11,852)	$ (11,762)
Per share data:				
Basic weighted average number of class A and class B common shares and common share equivalents outstanding	509,043,210	487,483,087	508,893,753	487,575,520
Diluted weighted average number of class A and class B common shares and common share equivalents outstanding	509,043,210	495,179,955	508,893,753	487,575,520
Continuing operations:				
Basic (loss) earnings per share	$ (0.02)	$ 0.01	$ (0.02)	$ (0.03)
Diluted (loss) earnings per share	$ (0.02)	$ 0.01	$ (0.02)	$ (0.03)
Discontinued operations:				
Basic earnings per share	$ —	$ —	$ —	$ 0.01
Diluted earnings per share	$ —	$ —	$ —	$ 0.01
Net unrealized gain on available-for-sale investments	251	301	1,761	111
Comprehensive (loss) income	$ (10,327)	$ 7,709	$ (10,091)	$ (11,651)

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

CLOVER HEALTH INVESTMENTS, CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Dollars in thousands, except share amounts)

	Class A Common Stock		Class B Common Stock		Treasury Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total stockholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, December 31, 2023	**401,183,882**	**$ 40**	**87,867,732**	**$ 9**	**7,912,750**	**$(12,729)**	**$2,461,238**	**$ (2,159,794)**	**$ (2,370)**	**286,394**
Stock issuance for exercise of stock options, net of early exercise liability	83	—	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	28,798	—	—	28,798
Vested restricted stock units	8,672,362	1	1,781,633	—	—	—	—	—	—	1
Unrealized holdings gain on investment securities, available for sale	—	—	—	—	—	—	—	—	(190)	(190)
Shares withheld for taxes on equity awards	(3,700,995)	—	—	—	3,700,995	(3,359)	—	—	—	(3,359)
Net loss	—	—	—	—	—	—	—	(19,170)	—	(19,170)
Balance, March 31, 2024	**406,155,332**	**$ 41**	**89,649,365**	**$ 9**	**11,613,745**	**$(16,088)**	**$2,490,036**	**$ (2,178,964)**	**$ (2,560)**	**$ 292,474**
Stock issuance for exercise of stock options, net of early exercise liability	61,212	—	—	—	—	—	23	—	—	23
Stock-based compensation	—	—	—	—	—	—	27,900	—	—	27,900
Vested restricted stock units	3,003,054	—	—	—	—	—	—	—	—	—
Unrealized holdings gain on investment securities, available for sale	—	—	—	—	—	—	—	—	301	301
Shares withheld for taxes on equity awards	(1,122,347)	—	—	—	1,122,347	(1,446)	—	—	—	(1,446)
Issuance of Common Stock under Employee Stock Purchase Plan	227,502	—	—	—	—	—	—	—	—	—
Repurchases of Common Stock	(1,838,309)	—	—	—	1,838,309	(1,772)	—	—	—	(1,772)
Net income	—	—	—	—	—	—	—	7,408	—	7,408
Balance, June 30, 2024	**406,486,444**	**$ 41**	**89,649,365**	**$ 9**	**14,574,401**	**$(19,306)**	**$2,517,959**	**$ (2,171,556)**	**$ (2,259)**	**$ 324,888**

	Class A Common Stock		Class B Common Stock		Treasury Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total stockholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance, December 31, 2024	**414,493,051**	**$ 41**	**89,032,305**	**$ 9**	**18,752,947**	**$(30,991)**	**$2,576,471**	**$ (2,202,803)**	**$ (1,584)**	**$ 341,143**
Stock issuance for exercise of stock options, net of early exercise liability	139,709	—	—	—	—	—	215	—	—	215
Stock-based compensation	—	—	—	—	—	—	26,437	—	—	26,437
Vested restricted stock units	6,431,417	1	3,342,698	—	—	—	—	—	—	1
Unrealized holdings gain on investment securities, available for sale	—	—	—	—	—	—	—	—	1,510	1,510
Shares withheld for taxes on equity awards	(1,833,218)	—	—	—	1,833,218	(13,659)	—	—	—	(13,659)
Repurchases of common stock	(5,069,423)	(1)	—	—	5,069,423	(18,297)	—	—	—	(18,298)
Net loss	—	—	—	—	—	—	—	(1,274)	—	(1,274)
Balance, March 31, 2025	**414,161,536**	**$ 41**	**92,375,003**	**$ 9**	**25,655,588**	**$(62,947)**	**$2,603,123**	**$ (2,204,077)**	**$ (74)**	**$ 336,075**
Stock issuance for exercise of stock options, net of early exercise liability	97,249	—	—	—	—	—	148	—	—	148
Stock-based compensation	—	—	—	—	—	—	26,195	—	—	26,195
Vested restricted stock units	6,417,884	1	—	—	—	—	—	—	—	1
Unrealized holdings gain on investment securities, available for sale	—	—	—	—	—	—	—	—	251	251
Shares withheld for taxes on equity awards	(2,476,795)	—	—	—	2,476,795	(8,468)	—	—	—	(8,468)
Issuance of Common Stock under Employee Stock Purchase Plan	186,901	—	—	—	—	—	555	—	—	555
Net loss	—	—	—	—	—	—	—	(10,578)	—	(10,578)
Balance, June 30, 2025	**418,386,775**	**$ 42**	**92,375,003**	**$ 9**	**28,132,383**	**$(71,415)**	**$2,630,021**	**$ (2,214,655)**	**$ 177**	**344,179**

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

CLOVER HEALTH INVESTMENTS, CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	$ (11,852)	$ (11,762)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	860	648
Stock-based compensation	52,632	56,698
Change in fair value of warrants and amortization of warrants	19	17
Accretion, net of amortization	(946)	(1,618)
Change in accrued interest earned	347	(463)
Net realized gains on investment securities	(437)	(5)
Loss on investment	—	467
Changes in operating assets and liabilities:		
Accrued retrospective premiums	(43,201)	(31,816)
Prepaid expenses	(2,078)	(99)
Other assets	(2,084)	(6,690)
Healthcare receivables	4,646	(2,575)
Unpaid claims	(16,736)	63,450
Accounts payable and accrued expenses	(613)	3,257
Accrued salaries and benefits	6,094	11,449
Other liabilities	2,464	(1,261)
Net cash (used in) provided by operating activities from continuing operations	(10,885)	79,697
Net cash used in operating activities from discontinued operations	—	(9,005)
Net cash (used in) provided by operating activities	(10,885)	70,692
Cash flows from investing activities:		
Purchases of short-term investments, available-for-sale, and held-to-maturity securities	(59,864)	(51,670)
Proceeds from sales of short-term investments and available-for-sale securities	79,313	—
Proceeds from maturities of short-term investments and available-for-sale securities	25,801	66,651
Purchases of property and equipment	(754)	(842)
Net cash provided by investing activities	44,496	14,139
Cash flows from financing activities:		
Issuance of common stock, net of early exercise liability	363	23
Issuance of common stock under employee stock purchase plan, net of stock issuance costs	555	—
Cash paid for shares withheld related to stock-based compensation	(22,127)	(4,805)
Repurchases of common stock	(18,297)	(1,772)
Net cash used in financing activities	(39,506)	(6,554)
Net (decrease) increase in cash and cash equivalents	(5,895)	78,277
Cash and cash equivalents, beginning of period	194,543	176,494
Cash and cash equivalents, end of period	$ 188,648	$ 254,771

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

CLOVER HEALTH INVESTMENTS, CORP.
Notes to the Condensed Consolidated Financial Statements

1. Organization and Operations

Clover Health Investments, Corp. (collectively with its affiliates and subsidiaries, "Clover" or the "Company") is focused on empowering physicians to identify and manage chronic diseases early. Clover has centered its strategy on building and deploying technology through its flagship software platform, Clover Assistant, to help America's seniors receive better care at lower costs.

Clover aims to provide affordable, high-quality Medicare Advantage plans, including Preferred Provider Organization ("PPO") and Health Maintenance Organization ("HMO") plans, through its regulated insurance subsidiaries. The Company's regulated insurance subsidiaries consist of Clover Insurance Company and Clover HMO of New Jersey Inc., which operate the Company's PPO and HMO health plans, respectively. Medical Service Professionals of NJ, LLC, houses Clover's employed physicians and the related support staff for Clover's in-home care program. Clover's administrative functions and insurance operations are primarily operated by its Clover Health, LLC and Clover Health Labs, LLC subsidiaries.

Clover's approach is to combine technology, data analytics, and preventive care to lower costs and increase the quality of health and life of Medicare beneficiaries. Clover's technology platform is designed to use machine learning-powered systems to deliver data and insights to physicians in order to improve outcomes for beneficiaries through the early identification and management of chronic disease and drive down costs. Clover's MA plans generally provide access to a wide network of primary care providers, specialists, and hospitals, enabling its members to see any doctor participating in Medicare willing to accept them. Clover focuses on minimizing members' out-of-pocket costs and offers many plans that allow members to pay the same co-pays for primary care provider visits regardless of whether their physician is in- or out-of-network.

In 2024, the Company launched Counterpart Health, Inc., a new Software-as-a-Service (“SaaS”) and Tech Enabled Services Solution to bring the power of CA Technology to Medicare Advantage payors and providers. This external offering aims to equip clinician users with the Company's already built, clinician-centric, and AI-powered care management platform. Strategically, Counterpart Health, Inc., a subsidiary of Clover Health, aims to extend the benefits of data-driven proven technology and personalized care to a wider audience, enabling enhanced patient outcomes and reduced healthcare costs across the nation. Counterpart Health is complementary to Clover Health, and enables the Company to deploy and expand the reach of its existing technology asset for new potential growth and high margin business opportunities, with low startup costs.

For additional information, see Note 1 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Form 10-K").

2. Summary of Significant Accounting Policies

Basis of presentation

The Company's condensed consolidated financial statements have been prepared in conformity with the generally accepted accounting principles in the United States ("GAAP") as well as in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) and include the accounts of the Company and its wholly-owned subsidiaries. In the opinion of management, the Company has made all necessary adjustments, which include normal recurring adjustments, necessary for a fair presentation of its financial condition and its results of operations for the periods presented. All material intercompany balances and transactions have been eliminated in consolidating these financial statements. Investments over which we exercise significant influence, but do not control, are accounted for using the applicable accounting treatment based on the nature of the investment. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes to the financial statements included in the 2024 Form 10-K.

Use of estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that impact the amounts reported in the condensed consolidated financial statements and the accompanying notes.

The areas involving the most significant use of estimates are the amounts of incurred but not reported claims. Many factors can cause actual outcomes to deviate from these assumptions and estimates, such as changes in economic conditions, changes in government healthcare policy (including CMS's May 2025 announcement of its intention to significantly increase the volume of Risk Adjustment Data Validation ("RADV") audits), advances in medical technology, changes in treatment patterns, and changes in average lifespan. Accordingly, the Company cannot determine with precision the ultimate amounts that it will pay for, or the timing of payment of actual claims, or whether the assets supporting the liabilities will grow to the level the Company assumes prior to payment of claims. If the Company's actual experience is different from its assumptions or estimates, the Company's reserves may prove inadequate. As a result, the Company would incur a charge to operations in the period in which it determines such a shortfall exists, which could have a material adverse effect on the Company's business, results of operations, and financial condition. Other areas involving significant estimates include risk adjustment provisions related to Medicare contracts and the valuation of the Company's investment securities, reinsurance, premium deficiency reserve, stock-based compensation, recoveries from third parties for coordination of benefits, and final determination of medical cost adjustment pools.

Equity method of accounting and variable interest entities

Investments in entities in which the Company does not have control but its ownership falls between 20.0% and 50.0%, or it has the ability to exercise significant influence over operating and financial policies, are accounted for under the equity method of accounting.

The Company continuously assesses its partially-owned entities to determine if these entities are variable interest entities ("VIEs") and, if so, whether the Company is the primary beneficiary and, therefore, required to consolidate the VIE. To make this determination, the Company applies a qualitative approach to determine whether the Company has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses of, or the rights to receive benefits from, the VIE that could potentially be significant to that VIE. If the Company has an interest in a VIE but is determined to not be the primary beneficiary, the Company accounts for the interest under the equity method of accounting.

When the Company's carrying value in an equity method investee company is reduced to zero, no further losses are recorded in the Company's condensed consolidated financial statements unless the Company guaranteed obligations of the investee company or has committed additional funding. When the investee company subsequently reports income, the Company will not record its share of such income until it equals the amount of its share of losses not previously recognized.

Segment information

The Company operates as one reportable segment, Insurance. The Insurance segment provides PPO and HMO plans to Medicare Advantage members in several states.

Capitalized software development costs - cloud computing arrangements

The Company's cloud computing arrangements are mostly comprised of hosting arrangements that are mostly service contracts, whereby the Company gains remote access to use enterprise software hosted by the vendor or another third party on an as-needed basis for a period of time in exchange for a subscription fee. Implementation costs for cloud computing arrangements are capitalized if certain criteria are met and consist of internal and external costs directly attributable to developing and configuring cloud computing software for its intended use. These capitalized implementation costs are presented in the Condensed Consolidated Balance Sheets within Prepaid expenses and are generally amortized over the fixed, non-cancelable term of the associated hosting arrangement on a straight-line basis.

Deferred acquisition costs

Acquisition costs directly related to the successful acquisition of new business, which are primarily made up of commissions costs, are deferred and subsequently amortized. Deferred acquisition costs are recorded within Other assets, current in the Condensed Consolidated Balance Sheets and are amortized over the estimated life of the related contracts. The amortization of deferred acquisition costs is recorded within General and administrative expenses in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). For the three months ended June 30, 2025 and 2024, charges related to deferred acquisition costs of $4.3 million and $1.8 million, respectively. For the six months ended June 30, 2025 and 2024, charges related to deferred acquisition costs of $7.1 million and $2.8 million, respectively, were recognized within General and administrative expenses.

Reclassifications

Certain amounts presented in prior periods have been reclassified to conform to the current presentation.

Recent accounting pronouncements

Recently adopted accounting pronouncements

There have been no new accounting pronouncements adopted during the six months ended June 30, 2025 that had a material impact on the Company's condensed consolidated financial statements.

Accounting pronouncements effective in future periods

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this update aim to provide more transparency regarding tax disclosures mainly related to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, however, these disclosures are not required for interim periods. The Company is currently evaluating the impact of ASU 2023-09 on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40)*. The amendments in this update would require a public entity to disclose information about purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion for each income statement line item that contains those expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. ASU 2024-03 allows for early adoption and requires either prospective adoption to consolidated financial statements issued for reporting periods after the effective date of ASU 2024-03 or retrospectively to any or all prior periods presented in the consolidated financial statements. The Company is currently evaluating the impact of ASU 2024-03 on its consolidated financial statements and related disclosures.

3. Investment Securities

The following tables present amortized cost and fair values of investments at June 30, 2025 and December 31, 2024, respectively:

June 30, 2025	**Amortized cost**	**Accumulated unrealized gains**	**Accumulated unrealized losses**	**Fair value**
		(in thousands)		
Investment securities, held-to-maturity				
U.S. government and government agencies and authorities	$ 14,294	$ —	$ (158)	$ 14,136
Investment securities, available-for-sale				
U.S. government and government agencies and authorities	116,327	583	(583)	116,327
Corporate debt securities	69,541	248	(71)	69,718
Other	281	—	—	281
Total held-to-maturity and available-for-sale investment securities	$ 200,443	$ 831	$ (812)	$ 200,462

December 31, 2024	**Amortized cost**	**Accumulated unrealized gains**	**Accumulated unrealized losses**	**Fair value**
		(in thousands)		
Investment securities, held-to-maturity				
U.S. government and government agencies and authorities	$ 14,358	$ —	$ (430)	$ 13,928
Investment securities, available-for-sale				
U.S. government and government agencies and authorities	139,597	212	(1,548)	138,261
Corporate debt securities	88,753	196	(447)	88,502
Other	1,950	3	—	1,953
Total held-to-maturity and available-for-sale investment securities	$ 244,658	$ 411	$ (2,425)	$ 242,644

The following table presents the amortized cost and fair value of debt securities at June 30, 2025, by contractual maturity:

June 30, 2025	**Held-to-maturity**		**Available-for-sale**	
	Amortized cost	**Fair value**	**Amortized cost**	**Fair value**
	(in thousands)			
Due within one year	$ 1,768	$ 1,766	$ 11,161	$ 10,856
Due after one year through five years	12,416	12,285	174,988	175,470
Due after five years through ten years	—	—	—	—
Due after ten years	110	85	—	—
Total	$ 14,294	$ 14,136	$ 186,149	$ 186,326

For the three and six months ended June 30, 2025 and 2024, respectively, net investment income, which is included in Other income in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), was derived from the following sources:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2025	**2024**	**2025**	**2024**
	(in thousands)			
Cash and cash equivalents	$ 1,984	$ 3,446	$ 4,334	$ 5,632
Short-term investments	—	143	—	316
Investment securities	2,698	2,145	4,956	4,253
Investment income, net	$ 4,682	$ 5,734	$ 9,290	$ 10,201

Gross unrealized losses and fair values aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position were as follows at June 30, 2025 and December 31, 2024, respectively:

June 30, 2025	**Less than 12 months**		**Greater than 12 months**		**Total**	
	Fair value	**Unrealized loss**	**Fair value**	**Unrealized loss**	**Fair value**	**Unrealized loss**
	(in thousands, except number of positions)					
U.S. government and government agencies and authorities	$ 25,246	$ (132)	$ 14,400	$ (609)	$ 39,646	$ (741)
Corporate debt securities	23,148	(71)	—	—	23,148	(71)
Total	$ 48,394	$ (203)	$ 14,400	$ (609)	$ 62,794	$ (812)
Number of positions		28		9		37

December 31, 2024	**Less than 12 months**		**Greater than 12 months**		**Total**	
	Fair value	**Unrealized loss**	**Fair value**	**Unrealized loss**	**Fair value**	**Unrealized loss**
	(in thousands, except number of positions)					
U.S. government and government agencies and authorities	$ 78,065	$ (850)	$ 39,542	$ (1,128)	$ 117,607	$ (1,978)
Corporate debt securities	53,009	(447)	—	—	53,009	(447)
Total	$ 131,074	$ (1,297)	$ 39,542	$ (1,128)	$ 170,616	$ (2,425)
Number of positions		65		15		80

The Company did not record any credit allowances for debt securities that were in an unrealized loss position at June 30, 2025 and December 31, 2024.

At June 30, 2025, all securities were investment grade, with credit ratings of BBB or higher by S&P Global or as determined by other credit rating agencies within the Company's investment policy. Unrealized losses on investment grade securities are principally related to changes in interest rates or changes in issuer or sector related credit spreads since the securities were acquired. The gross unrealized investment losses at June 30, 2025, were assessed, based on, among other things:

- The relative magnitude to which fair values of these securities have been below their amortized cost was not indicative of an impairment loss;
- The absence of compelling evidence that would cause the Company to call into question the financial condition or near-term prospects of the issuer of the applicable security; and
- The Company's ability and intent to hold the applicable security for a period of time sufficient to allow for any anticipated recovery.

Proceeds from sales and maturities of investment securities, inclusive of short-term investments, and related gross realized gains (losses) which are included in Other income in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), were as follows for the three and six months ended June 30, 2025 and 2024, respectively:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Proceeds from sales of investment securities	$ 62,830	$ —	$ 79,313	$ —
Proceeds from maturities of investment securities	—	32,916	25,801	66,651
Gross realized gains	402	4	444	5
Gross realized losses	(8)	—	(7)	—
Net realized gains	$ 394	$ 4	$ 437	$ 5

At June 30, 2025 and December 31, 2024, the Company had $14.7 million, in deposits with various states and regulatory bodies that are included as part of the Company's investment balances.

4. Fair Value Measurements

The following tables present a summary of fair value measurements for financial instruments at June 30, 2025 and December 31, 2024, respectively:

June 30, 2025	Level 1	Level 2	Level 3	Total Fair Value
	(in thousands)			
U.S. government and government agencies	$ —	$ 116,327	$ —	$ 116,327
Corporate debt securities	—	69,718	—	69,718
Other	—	4,200	—	4,200
Warrants receivable	—	—	745	745
Total assets at fair value	$ —	$ 190,245	$ 745	$ 190,990

December 31, 2024	Level 1	Level 2	Level 3	Total Fair Value
	(in thousands)			
U.S. government and government agencies	$ —	$ 138,261	$ —	$ 138,261
Corporate debt securities	—	88,502	—	88,502
Other	—	1,953	—	1,953
Warrants receivable	—	—	764	764
Total assets at fair value	$ —	$ 228,716	$ 764	$ 229,480

The changes in balances of Clover's Level 3 financial assets and liabilities during the six months ended June 30, 2025 were as follows:

		Warrants Receivable
		(in thousands)
Balance, December 31, 2024		764
Total unrealized losses		19
Balance, June 30, 2025	$	745

There were no transfers in or out of Level 3 financial assets or liabilities for the six months ended June 30, 2025 or June 30, 2024.

Private Warrants

At June 30, 2025, the Company had exercisable private warrants which were embedded in several agreements as derivatives. These private warrants were accounted for as assets in accordance with ASC 815-40 and are presented in Other assets, non-current in the Condensed Consolidated Balance Sheets. The warrant assets are measured at fair value at inception and on a recurring basis until redeemed, with changes in fair value presented in Change in fair value of warrants in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). These private warrants were classified within Level 3 due to the subjectivity and use of estimates in the calculation of their fair value. These warrants at measurement date, December 31, 2024, were assessed to have a fair value of $0.8 million. The Company reassesses the fair values of the warrants based on updated estimates for the three and six months ended June 30, 2025, and there were less than $0.1 million of unrealized losses recognized.

5. Healthcare Receivables

Healthcare receivables include pharmaceutical rebates that are accrued as they are earned and estimated based on contracted rebate rates, eligible amounts submitted to the manufacturers by the Company's pharmacy manager, pharmacy utilization volume, and historical collection patterns. Also included in Healthcare receivables are Medicare Part D settlement receivables, member premium receivables, and other CMS receivables. The Company reported $46.9 million and $51.5 million within Healthcare receivables at June 30, 2025 and December 31, 2024, respectively.

6. Related Party Transactions

Related party agreements

The Company has various contracts with IJKG Opco LLC (d/b/a CarePoint Health - Bayonne Medical Center), Hudson Hospital Opco, LLC (d/b/a CarePoint Health - Christ Hospital) and Hoboken University Medical Center Opco LLC (d/b/a CarePoint Health - Hoboken University Medical Center), which collectively do business as the CarePoint Health System ("CarePoint Health"), for the provision of inpatient and hospital-based outpatient services. Expenses and fees incurred related to Clover's contracts with CarePoint Health, recorded in Net medical claims incurred, in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), were $2.6 million and $2.3 million for the three months ended June 30, 2025 and 2024, respectively, and $4.4 million and $2.8 million for the six months ended June 30, 2025 and 2024, respectively. Additionally, $0.6 million and $1.0 million were payable to CarePoint Health at June 30, 2025 and December 31, 2024, respectively.

CarePoint Health was ultimately held and controlled by Vivek Garipalli, the Company's Executive Chairman and a significant stockholder of the Company. In May 2022, Mr. Garipalli and his family completed a donation of their interest in CarePoint Health to a non-profit organization called CarePoint Health Systems, Inc ("the CarePoint Nonprofit"). In September 2024, Sequoia Healthcare Services, LLC, an entity that Mr. Garipalli has an indirect interest in, transferred certain subsidiaries that provided services to CarePoint Health to the CarePoint Nonprofit. Following such transfer, neither Mr. Garipalli nor any entity he has an interest in currently provide any management services to CarePoint Health. On November 3, 2024, CarePoint Health and its affiliates filed petitions in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") seeking relief under Chapter 11 of the United States Bankruptcy Code. Ultimately, the Bankruptcy Court confirmed CarePoint Health's plan which became effective as of May 22, 2025. Through CarePoint Health's Plan, a majority of CarePoint Health's assets, including the CarePoint Health Contracts, were transferred to Hudson Regional Hospital, who now controls CarePoint Health's hospitals following CarePoint Health's emergence from bankruptcy. As a result of such proceedings, CarePoint Health is no longer deemed a related party of the Company as defined by ASC 850, *Related Party Disclosures*.

The Company has a contract with Medical Records Exchange, LLC (formerly known as "ChartFast," now d/b/a Credo) pursuant to which the Company receives administrative services related to medical records retrieval via Credo's electronic applications and web portal platform. Vivek Garipalli, the Company's Executive Chairman and significant stockholder of the Company, is an indirect owner of Credo Health Solutions, Inc. Expenses and fees incurred related to this agreement were $0.1 million and $0.3 million for the three months ended June 30, 2025 and 2024, respectively, and $0.3 million and $0.4 million for the six months ended June 30, 2025 and 2024, respectively.

Since July 2, 2021, the Company has contracted with Thyme Care, Inc. ("Thyme Care"), an oncology care management company, through which Thyme Care was engaged to provide cancer care management services to the Company's Insurance members and develop a provider network to help ensure member access to high-value oncology care. The Company and Thyme Care have amended the terms of the engagement, effective April 1, 2023, to include additional clinical services available to Clover members as well as the value based payment terms. The Company entered into an agreement with Thyme Care effective September 23, 2020 where the Company purchased 1,773,049 shares (less than five percent (5%) of its class A common stock). The fair value of these shares is $3.9 million at June 30, 2025, and is recognized within Other assets, non-current, in the Condensed Consolidated Balance Sheets. In accordance with ASC 321, any changes in fair value associated with these shares are recognized within Other income in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). Mr. Garipalli is a member of the board of directors of Thyme Care and holds an equity interest of less than five percent (5%) of that entity. Expenses and fees incurred related to this agreement were $1.5 million and $2.3 million for the three months ended June 30, 2025 and 2024, respectively, and $4.2 million and $2.3 million for the six months ended June 30, 2025 and 2024, respectively. Additionally, $6.1 million and $3.3 million were payable to Thyme Care at June 30, 2025, and December 31, 2024, respectively.

7. Unpaid Claims

Activity within the liability for Unpaid claims, including claims adjustment expenses, for the six months ended June 30, 2025 and 2024, respectively, is summarized as follows:

Six Months Ended June 30,	**2025**	**2024**
	(in thousands)	
Gross and net balance, beginning of period	$ 156,396	$ 137,100
Incurred related to:		
Current year	718,649	531,627
Prior years	(2,830)	(28,021)
Total incurred	715,819	503,606
Paid related to:		
Current year	586,926	359,462
Prior years	145,629	80,694
Total paid	732,555	440,156
Gross and net balance, end of period	$ 139,660	$ 200,550

The Company uses two methods of standard actuarial techniques to establish unpaid claims reserves. Management estimates are supported by the Company's actuarial analysis. The Company utilizes an internal actuarial team to review the adequacy of unpaid claim and unpaid claim adjustment expense. The estimation of claim costs is inherently difficult and requires significant judgment. The estimation has considerable inherent variability and can fluctuate significantly depending upon several factors, including medical cost trends and claim payment patterns, general economic conditions, and regulatory changes. The time value of money is not taken into account for the purposes of calculating the liability for unpaid claims. Management believes that the current reserves are adequate based on currently available information.

Unpaid Claims for Insurance Operations

Unpaid claims for Insurance operations were $139.7 million at June 30, 2025. During the six months ended June 30, 2025, $145.6 million was paid for incurred claims attributable to insured events of prior years. A favorable development of $2.8 million was recognized during the six months ended June 30, 2025, resulting from the Company's actual experience with claims developing differently as compared to the Company's estimates at December 31, 2024. A favorable development of $28.0 million was recognized during the six months ended June 30, 2024, resulting from the Company's actual experience with claims developing differently as compared to the Company's estimates at December 31, 2023. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. The ratio of current year medical claims paid as a percentage of current year Net medical claims incurred was 81.7% for the six months ended June 30, 2025, and 67.6% for the six months ended June 30, 2024. This ratio serves as an indicator of claims processing speed, indicating that claims were processed at a faster rate during the six months ended June 30, 2025, than during the six months ended June 30, 2024. As a result of faster claims processing, unpaid claims liability decreased which was primarily due to claim submission and payment process improvements.

8. Variable Interest Entity and Equity Method of Accounting

On February 4, 2022, Character Biosciences, Inc. (f/k/a Clover Therapeutics Company) ("Character Biosciences"), an affiliate of the Company, completed a private capital transaction in which it raised $17.9 million from the issuance of 16,210,602 shares of its preferred stock. Upon completion of the transaction, the Company owned approximately 25.46% of Character Biosciences. As a result, the Company reassessed its interest in Character Biosciences and determined that while Character Biosciences is a VIE, the Company is not considered the primary beneficiary of the VIE because it does not have the power, through voting or similar rights and the license agreements, to direct the activities of Character Biosciences that most significantly impact Character Biosciences' economic performance. Since that initial financing, Character Biosciences has completed a series of additional capital raises through the issuance of its shares, each of which diluted the Company's ownership. As of June 30, 2025, the Company's ownership interest in Character Biosciences had decreased to approximately 9.1%.

The Company determined that it does have a significant influence over Character Biosciences and, therefore recognizes its common stock investment in Character Biosciences using the equity method. As the Company applies the equity method, the initial value of the investment is adjusted periodically to recognize (i) the proportionate share of the investee's net income or losses after the date of investment, (ii) additional contributions made and dividends or distributions received, and (iii) impairment losses resulting from adjustments to net realizable value. The Company eliminates all intercompany transactions in accounting for equity method investments and records the proportionate share of the investee's net income or loss in equity within gain on investment on the Consolidated Statements of Operations and Comprehensive Income (Loss).

In accordance with ASC 323, *Investments - Equity Method and Joint Ventures*, the Company recognized the proportionate share of Character Bioscience's net loss up to the investment carrying amount. As of March 31, 2024, the investment carrying amount was reduced to zero through cumulative shared losses. Until such point that the Company's cumulative shared gains are in excess of the Company's cumulative shared losses, the Company cannot recognize any further activity. As a result, the Company recognized no shared loss for the three and six months ended June 30, 2025 and zero for the three months ended June 30, 2024 and $0.5 million shared loss for the six months ended June 30, 2024.

9. Employee Benefit Plans

Employee Savings Plan

The Company has a defined contribution retirement savings plan (the "401(k) Plan") covering eligible employees, which includes safe harbor matching contributions based on the amount of employees' contributions to the 401(k) Plan. The Company contributes to the 401(k) Plan annually 100.0% of the first 4.0% of compensation that is contributed by the employee up to 4.0% of eligible annual compensation after one year of service. The Company's service contributions to the 401(k) Plan amounted to approximately $0.5 million for both the three months ended June 30, 2025 and 2024, respectively, and $1.0 million and $1.1 million for the six months ended June 30, 2025 and 2024, respectively, and are included in Salaries and benefits in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The Company's cash match is invested pursuant to the participant's contribution direction. Employer contributions are immediately 100.0% vested.

Stock-based Compensation

The Company's 2020 Equity Incentive Plan (the "2020 Plan") provides for grants of restricted stocks units ("RSUs"), performance-based restricted stock units ("PRSUs") and stock options to acquire shares of the Company's common stock, to employees, directors, officers, and non-employee consultants of the Company and its affiliates, and the Company's 2020 Management Incentive Plan (the "2020 MIP") provides for grants of RSUs and PRSUs to the Company's Executive Chair and CEO. During the year ended December 31, 2021, the Company approved the 2020 Plan and the 2020 MIP, and the Company's 2014 Equity Incentive Plan (the "2014 Plan") was terminated. When the 2014 Plan was terminated, the outstanding awards previously granted thereunder were assumed by the

Company, and no new awards are available for grant under the 2014 Plan. Shares that are expired, terminated, surrendered, or canceled under the 2014 Plan without having been fully exercised are available for awards under the 2020 Plan. On March 9, 2022, the Board adopted the Company's 2022 Inducement Award Plan (the "Inducement Plan" and, collectively with the 2020 Plan, the 2020 MIP, and the 2014 Plan, the "Plans") without stockholder approval in accordance with Nasdaq Listing Rules. Under the Inducement Plan, the Company may grant non-qualified stock options, RSUs, stock appreciation rights, and other stock or cash-based awards to an employee in connection with his or her commencement of employment, or following a bona fide period of non-employment, with the Company or an affiliate.

The 2020 Plan has an evergreen provision that requires the number of shares available for issuance under the plan to be increased on the first day of each fiscal year beginning with the 2022 fiscal year and ending on (and including) the last day of the 2024 fiscal year, in each case, in an amount equal to the lesser of (i) seven percent (7%) of the outstanding shares of Class A common Stock on the last day of the immediately preceding fiscal year and (ii) such number of shares of Class A common Stock determined by the Board; provided that for each fiscal year beginning with the 2025 fiscal year through the fiscal year that includes the expiration date of the plan, each such increase shall be reduced to the lesser of five percent (5%) of the outstanding shares of Class A common Stock on the last day of the immediately preceding fiscal year or such number of shares as determined by the Board.

The maximum number of shares of the Company's common stock reserved for issuance over the term of the Plans, shares outstanding under the Plans, and shares remaining under the Plans at June 30, 2025 were as follows:

June 30, 2025	**Shares Authorized Under Plans**	**Shares Outstanding Under Plans**	**Shares Remaining Under Plans**
2014 Plan	54,402,264	33,935,978	N/A
2020 Plan	97,638,080	35,667,909	19,305,492
2020 MIP	33,426,983	20,056,191	—
Inducement Plan	11,000,000	4,373,127	—

The Plans are administered by the Talent and Compensation Committee of the Board (the "Compensation Committee"). Stock options granted under the Plans are subject to the terms and conditions described in the applicable Plan and the applicable stock option grant agreement. The exercise prices, vesting, and other restrictions applicable to the stock options are determined at the discretion of the Compensation Committee, except that the exercise price per share of incentive stock options may not be less than 100.0% of the fair market value of a share of common stock on the date of grant. Stock options awarded under the Plans expire 10 years after the grant date and generally vest over 4 years. The number of stock options granted is determined by dividing the approved grant date dollar value of an option by the Black Scholes option pricing value per share (as further discussed below). RSU awards are subject to the terms and conditions set forth in the Plans and the applicable RSU grant agreement. Vesting and other restrictions applicable to RSU awards are determined at the discretion of the Compensation Committee, but generally vest over one to four years from the date of the grant. The number of RSUs granted is determined by dividing the cash value of an RSU award by the average closing price of a share of the Company's Class A common stock over a specified period through the date of grant. The total estimated grant date fair value is amortized over the requisite service period.

The Company recorded Stock-based compensation for stock options, RSUs, and PRSUs granted under the Plans, and discounts offered in connection with the Company's 2020 Employee Stock Purchase Plan ("ESPP") of $26.2 million and $27.9 million during the three months ended June 30, 2025 and 2024, respectively, and $52.6 million and $56.7 million during the six months ended June 30, 2025 and 2024, respectively, and such expenses are presented in Salaries and benefits in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Compensation cost presented in Salaries and benefits in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Stock options	$ 116	$ 530	$ 294	$ 1,148
RSUs	23,069	20,400	46,093	41,317
PRSUs	2,904	6,944	5,987	14,157
ESPP	106	26	258	76
Total compensation cost recognized for stock-based compensation plans	$ 26,195	$ 27,900	$ 52,632	$ 56,698

At June 30, 2025, there was approximately $363.0 million of unrecognized stock-based compensation expense related to unvested stock options, unvested RSUs, unvested PRSUs and the ESPP.

Stock Options

The Company did not grant stock options during the six months ended June 30, 2025 and 2024, respectively.

A summary of option activity under the 2020 Plan during the six months ended June 30, 2025, was as follows:

	Number of stock options	Weighted-average exercise price
Outstanding, January 1, 2025	804,127	$ 8.87
Granted	—	—
Exercised	—	—
Forfeited	—	—
Outstanding, June 30, 2025	804,127	$ 8.87

A summary of stock option activity under the 2014 Plan during the six months ended June 30, 2025, was as follows:

	Number of stock options	Weighted-average exercise price
Outstanding, January 1, 2025	23,465,666	$ 2.73
Granted	—	—
Exercised	(226,687)	1.60
Forfeited	(49,914)	3.89
Outstanding, June 30, 2025	23,189,065	$ 2.74

At June 30, 2025, outstanding stock options, substantially all of which are expected to vest, had an aggregate intrinsic value of $15.2 million, and a weighted-average remaining contractual term of 3.98 years. At June 30, 2025, there were 23,966,391 options exercisable under the Plan, with an aggregate intrinsic value of $15.2 million, a weighted-average exercise price of $2.94 per share, and a weighted-average remaining contractual term of 3.98 years. The total value of stock options exercised during the six months ended June 30, 2025 and 2024 was $0.9 million and $0.1 million, respectively. Cash received from stock option exercises during the six months ended June 30, 2025 and 2024 totaled $0.4 million and less than $0.1 million, respectively.

Restricted Stock Units

A summary of total RSU activity is presented below:

	Number of RSUs	Weighted-average grant date fair value per share
Outstanding, January 1, 2025	55,731,587	$ 3.67
Granted	2,473,227	3.52
Released	(16,193,493)	4.49
Forfeited	(787,190)	2.16
Outstanding, June 30, 2025	41,224,131	$ 3.37

Performance Restricted Stock Units

The Company has granted PRSUs to certain executives and key employees, which become eligible to vest based on achievement of certain Company or individual performance milestones ("Non-Market PRSUs") and certain Company stock price targets ("Market PRSUs"), each as determined by the Compensation Committee. Market PRSUs will vest if prior to the vesting date the average closing price of one share of the Company's common stock for 90 consecutive days equals or exceeds a specified price. The PRSU expense referenced above is mainly attributable to Market PRSUs that vest based on pre-established milestones that primarily consist of the volume-weighted average stock closing price ranging from $20 to $30 for 90 consecutive days. The grant date fair value of the Non-Market PRSUs was based on the closing price of the Company's Class A common stock and recognized as expense over the requisite performance period under the accelerated attribution method and is adjusted in future periods for the success or failure to achieve the specified performance condition. The grant date fair value of the Market PRSUs was determined using a Monte Carlo simulation model that incorporated multiple valuation assumptions, including the probability of achieving the specified market condition. Expense for Market PRSUs is recognized over the derived service period under the accelerated attribution method and is not adjusted in future periods for the success or failure to achieve the specified market condition.

The assumptions that the Company used in the Monte Carlo model to determine the grant date fair value of Market PRSUs granted for the year ended December 31, 2021, were as follows:

Year ended December 31, 2021	
Expected volatility [1]	40.7 %
Risk-free interest rate [2]	0.5
Dividend yield [3]	—

[1] Expected volatility is based on a blend of peer group company historical data adjusted for the Company's leverage.

[2] Risk-free interest rate based on U.S. Treasury yields with a term equal to the remaining Performance Period as of the grant date.

[3] Dividend yield was assumed to be zero as the Company does not anticipate paying dividends.

At June 30, 2025, the market condition component of these PRSUs has not been met, so the awards have not been earned. This expense represents most of the PRSU expense recognized for the three months ended June 30, 2025 related to stock-based compensation plans which is presented in Salaries and benefits in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The Company has also determined the requisite service period for the PRSUs with multiple performance conditions to be the longest of the explicit, implicit, or derived service period for each tranche.

A summary of PRSU activity is presented below:

	Number of PRSUs	Weighted-average grant date fair value per share
Non-vested, January 1, 2025	29,151,407	$ 9.09
Granted during 2025	62,666	3.81
Adjustment for performance condition achieved[1]	99,558	0.94
Vested	(489,427)	0.94
Forfeited	(24,911)	1.19
Non-vested at June 30, 2025	28,799,293	$ 9.20

[1] Represents an increase in the number of original CLOV performance share units awarded based on final achievement at the end of the performance period of such awards.

At June 30, 2025, there was $5.8 million of unrecognized share-based compensation expense related to PRSUs.

2020 Employee Stock Purchase Plan

On January 6, 2021, the Board adopted and the Company's stockholders approved the ESPP, which permits eligible employees and service providers of either the Company or designated related companies and affiliates to contribute up to 15% of their eligible compensation during defined offering periods to purchase shares of the Company’s Class A common stock at a 15% discount from the fair market value of the common stock as determined on specific dates at specific intervals. Subject to adjustments provided in the ESPP that are discussed below, the maximum number of shares of common stock that may be purchased under the ESPP is 14,163,863 shares, and the maximum number of shares that may be purchased on any single purchase date by any one participant is 5,000 shares. At June 30, 2025, 12,440,564 shares of Class A common stock were available for issuance under the ESPP.

The ESPP includes an evergreen provision that limits the maximum number of shares of Class A common stock that may be issued under the plan, to 2,785,582 shares, plus the number of shares of Class A common stock that are automatically added on the first day of each fiscal year beginning with the 2022 fiscal year and ending on (and including) the first day of the 2030 fiscal year, in an amount equal to the lesser of (i) one percent (1%) of the total number of shares of Class A common stock outstanding on the last day of the calendar month prior to the date of such automatic increase, and (ii) such number of shares of Class A common stock as determined by the Board; provided that the maximum number of shares of Class A common stock reserved under the ESPP shall not exceed 10.0% of the total outstanding capital stock of the Company (inclusive of the shares reserved under the ESPP) as of January 7, 2021, on an as-converted basis.

The assumptions that the Company used in the Black-Scholes option-pricing model to determine the fair value of the purchase rights under the ESPP for the most recent offering period, is as follows:

Offering period from May 22, 2025 to November 22, 2025	
Weighted-average risk-free interest rate	4.3 %
Expected term (in years)	0.50
Expected volatility	52.4 %

10. Income Taxes

The consolidated effective tax rate of the Company for the three and six months ended June 30, 2025 and 2024, was 0.0% and 0.0%, respectively. The Company continues to be in a net operating loss for the three and six months ended June 30, 2025 and net deferred tax asset position. As a result, and in accordance with accounting standards, the Company recorded a valuation allowance to reduce the value of the net deferred tax assets to zero. The Company believes that at June 30, 2025, it had no material uncertain tax positions. Interest and penalties related to unrecognized tax expense (benefits) are recognized in income tax expense, when applicable.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act (“OBBBA”), which enacts significant changes to the US federal corporate income tax system. The Company is currently evaluating the provisions of the OBBBA. At this time, the financial impact of the new legislation cannot be reasonably estimated.

There were no material liabilities for interest and penalties accrued at June 30, 2025 and December 31, 2024.

11. Net (Loss) Income per Share

Basic and diluted net (loss) income per share from continuing operations attributable to Class A common stockholders and Class B common stockholders (collectively, "Common Stockholders") for the years indicated were calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands, except for per share and share amounts)			
Numerator:				
Net (loss) income from continuing operations attributable to common stockholders	$ (10,578)	$ 7,170	$ (11,852)	$ (16,000)
Net income from discontinued operations attributable to common stockholders	—	238	—	4,238
Denominator:				
Weighted average number of common shares and common share equivalents outstanding, basic and diluted	509,043,210	487,483,087	508,893,753	487,575,520
Dilutive shares:				
RSU	N/A	4,989,934	N/A	N/A
PRSU	N/A	2,684,069	N/A	N/A
Stock Options	N/A	22,865	N/A	N/A
Weighted average shares used in computing net income per share of common stock, diluted	509,043,210	495,179,955	508,893,753	487,575,520
Basic (loss) earnings per share from continuing operations	$ (0.02)	$ 0.01	$ (0.02)	$ (0.03)
Basic earnings per share from discontinued operations	$ —	$ —	$ —	$ 0.01
Diluted (loss) earnings per share from continuing operations	$ (0.02)	$ 0.01	$ (0.02)	$ (0.03)
Diluted earnings per share from discontinued operations	$ —	$ —	$ —	$ 0.01

For the three months ended June 30, 2024, the Company had net income from continuing operations attributable to Common Stockholders. As a result, the Company's options, RSUs and PRSUs were considered as part of the diluted earnings per share calculation. The Company's options are only included if their strike price was less than the market price per share for the periods being presented. RSU and PRSU shares are only included in the calculation for diluted earnings per share if their performance criteria was satisfied during the period and if they are dilutive in nature. For all other periods presented, the Company had net loss from continuing operations attributable to Common Stockholders. As a result, the Company's potentially dilutive securities, which include Options, RSUs, and PRSUs, have been excluded from the computation of diluted net loss per share from continuing operations, as the effect would be anti-dilutive. Therefore, during these periods, the diluted common shares outstanding equals the average common shares outstanding.

The following table presents the potentially dilutive shares that were excluded from the computation of diluted net (loss) income per share of common stock:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Options to purchase common stock	23,993,192	22,437,390	23,993,192	24,730,341
RSUs	41,224,131	246,711	41,224,131	53,055,185
PRSUs	28,799,293	24,749,633	28,799,293	30,588,185
Total potentially dilutive shares excluded from computation of net (loss) income per share	94,016,616	47,433,734	94,016,616	108,373,711

12. Commitments and Contingencies

Legal Actions

Various lawsuits against the Company may arise in the ordinary course of the Company's business. Contingent liabilities arising from ordinary course litigation, income taxes and other matters are not expected to be material in relation to the financial position of the Company. At June 30, 2025, and December 31, 2024, respectively, there were no material known contingent liabilities arising outside the normal course of business other than as set forth below. In accordance with ASC No. 450-20, *Loss Contingencies*, we will record accruals for loss contingencies when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated.

Securities Class Actions, Derivative Litigation and Investigations

Beginning in February 2021, the Company received subpoenas from the SEC related to certain disclosures and aspects of our business as well as certain matters described in an article issued on February 4, 2021, by Hindenburg Research LLC (the "Hindenburg Article"). The Company cooperated with the SEC's investigation (the "Investigation"). The Hindenburg Article, which discussed, among other things, an inquiry by the U.S. Attorney's Office for the Eastern District of Pennsylvania relating to, among other things, certain of the Company’s arrangements with providers participating in its network and programs, and Clover Assistant, was the subject of the Company’s Current Report on Form 8-K dated February 5, 2021. As previously disclosed on the Company's Current Report on Form 8-K filed on September 30, 2024, by letter dated September 26, 2024 (the “Notice”), the Staff of the SEC Division of Enforcement notified the Company that the SEC had concluded the Investigation, and based on the information that the SEC had as of the date of the Notice, the Staff did not intend to recommend an enforcement action by the SEC against the Company relating to the Investigation.

In February 2021, the Company and certain of its directors and officers were named as defendants in putative class actions filed in the United States District Court for the Middle District of Tennessee: Bond v. Clover Health Investments, Corp. et al., Case No. 3:21-cv-00096 (M.D. Tenn.); Kaul v. Clover Health Investments, Corp. et al., Case No. 3:21-cv-00101 (M.D. Tenn.); Yaniv v. Clover Health Investments, Corp. et al., Case No. 3:21-cv-00109 (M.D. Tenn.); and Tremblay v. Clover Health Investments, Corp. et al., Case No. 3:21-cv-00138 (M.D. Tenn.). The complaints asserted violations of sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated under the Exchange Act. The Kaul action asserted additional claims under sections 11 and 15 of the Securities Act. The complaints generally related to allegations published in the Hindenburg Article. In April 2021, the Middle District of Tennessee class actions were consolidated under Bond v. Clover Health Investments, Corp. et al., Case No. 3:21-cv-00096 (M.D. Tenn.) as the lead case. On April 21, 2023, the parties to the securities class action entered into a memorandum of understanding providing for the settlement of the action. The Court approved the settlement and dismissed the action with prejudice on October 3, 2023. Under the settlement, the class received $22 million dollars (less an award of fees and expenses to the plaintiffs’ counsel), and the defendants (including the Company) received customary releases. The Company used $19.5 million in insurance proceeds to fund the settlement. The Company previously filed a lawsuit in Delaware state court against certain of its insurers for full payment of its liabilities related to this securities litigation. The Company intends to oppose any efforts by the carrier defendants to recoup insurance proceeds that they have advanced to date.

Various shareholder derivative actions parallel to the securities class action were also filed, naming Clover as a nominal defendant. The first action was filed in the United States District Court for the District of Delaware and was captioned Furman v. Garipalli, et al., Case No. 1:21-cv-00191 (D. Del.). The second and third actions were filed in the United States District Court for the Middle District of Tennessee and were captioned Sun v. Garipalli, et al., Case No. 3:21-cv-00311 (M.D. Tenn.), and Luthra v. Garipalli, et al., Case No. 3:21-cv-00320 (M.D. Tenn.). The fourth action was filed in the United States District of Delaware and was captioned Wiegand v. Garipalli, et al., Case No. 1:21-cv-01053 (D. Del.). The fifth action was filed in the Supreme Court of the State of New York and was captioned Sankaranarayanan v. Palihapitiya, et al., Index No. 655420/2021 (N.Y. Sup. Ct., N.Y. Cnty.). The sixth action was filed in the Delaware Court of Chancery and was captioned Davies v. Garipalli, et al., No. 2021-1016-SG (Del. Ch.). The seventh action was filed in the Supreme Court of the State of New York and was captioned Uvaydov v. Palihapitiya, et al., Index No. 656978/2021 (N.Y Sup. Ct., N.Y. Cnty.). On June 21, 2023, the plaintiffs in the derivative lawsuits, on the one hand, and the Company, on the other hand, entered into a binding memorandum of understanding providing for the settlement of the derivative actions. On February 5, 2024, the parties executed a stipulation of settlement which, subject to final court approval, would provide the defendants in the derivative lawsuits with customary releases and will require the Company to implement a suite of corporate governance enhancements. On July 11, 2024, the United States District Court for the Middle District of Tennessee entered a final judgment approving the settlement. The settlement did not involve any monetary payment, other than payment of an award of fees and expenses to plaintiffs’ counsel in the amount of $2.5 million.

13. Operating Segments

Clover Health has one reportable segment: Insurance. The Insurance segment provides PPO and HMO plans to Medicare Advantage members in several states. The segment information is prepared on the same basis that the Company's chief executive officer, who is the Chief Operating Decision Maker ("CODM"). These segment groupings are consistent with information used by the CODM, to assess performance and allocate resources. Net income is used to monitor budget versus actual results. The CODM also uses net income in competitive analysis by benchmarking to the Company’s competitors. The competitive analysis along with the monitoring of budgeted versus actual results are used in assessing performance of the segment and in establishing management’s compensation. The accounting policies of the insurance segment are the same as those described in the summary of significant accounting policies.

Insurance Segment	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
	(in thousands)			
Premiums earned, net (net of ceded premiums)	$ 469,826	$ 349,900	$ 926,732	$ 691,622
Less:				
Net medical claims incurred	394,212	249,406	762,100	515,482
Salaries and benefits	60,309	54,508	118,639	112,836
General and administrative expenses	47,693	43,631	97,764	87,530
Segment net (loss) income	$ (32,388)	$ 2,355	$ (51,771)	$ (24,226)
Reconciliation:				
Elimination of intersegment profits	$ 16,220	$ 1,059	$ 30,666	$ 1,973
Other income	7,794	6,360	13,219	11,560
Other salaries and benefits	(1,000)	(991)	(1,692)	(1,886)
Other general and administrative expenses	(791)	(793)	(1,395)	(1,463)
Depreciation and amortization	(394)	(330)	(860)	(648)
Restructuring costs	—	(473)	—	(826)
Change in fair value of warrants	(19)	(17)	(19)	(17)
Loss on investment	—	—	—	(467)
Net (loss) income from continuing operations	$ (10,578)	$ 7,170	$ (11,852)	$ (16,000)
Total Assets	$ 449,445	$ 431,231	$ 449,445	$ 431,231

14. Dividend Restrictions

The Company's regulated insurance subsidiaries are subject to regulations and standards in their respective jurisdictions. These standards, among other things, require these subsidiaries to maintain specified levels of statutory capital and limit the timing and amount of dividends and other distributions that may be paid to their parent companies. Therefore, the Company's regulated insurance subsidiaries' ability to declare and pay dividends is limited by state regulations including obtaining prior approval by the New Jersey Department of Banking and Insurance. At June 30, 2025 and December 31, 2024, neither of the regulated insurance subsidiaries had been authorized nor paid any dividends.

15. Restructuring costs

On April 17, 2023, the Company announced it would implement certain business transformation initiatives, including an agreement to move its core MA operational platform to UST HealthProof's ("UST HealthProof") and additional corporate restructuring actions. The agreement with UST HealthProof includes the transition of certain of the Company's plan operation functions in support of its Medicare Advantage members pursuant to a master services agreement. In addition to the arrangement with UST HealthProof, in April 2023 the Company conducted a reduction in force to better align its Selling, General, and Administrative cost structure with its revenue base. This restructuring resulted in the elimination of approximately 10% of the Company's workforce. The Company incurred costs related to these business transformation initiatives, which consisted of employee termination benefits, vendor related costs, and other costs, which are accounted for as exit and disposal costs and recorded pursuant to ASC 420, *Exit or Disposal Cost Obligations*. These activities were concluded by December 31, 2024. During the three months ended June 30, 2025 and 2024, the Company recognized zero and $0.5 million, respectively, and for the six months ended June 30, 2025 and 2024, the Company recognized zero and $0.8 million, respectively, of expenses related to these activities in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). As of June 30, 2025, the remaining vendor-related liability is being reduced through the contractually scheduled payments. This liability is recognized within Accounts payable and accrued expenses in the Condensed Consolidated Balance Sheets.

16. Discontinued Operations

On December 1, 2023, the Company notified CMS that it would no longer participate as a REACH ACO in connection with the 2024 performance year. The Company's exit from the ACO REACH Program was made after the Company determined that it was in its best interest to fully exit the program, following its November 2022 announcement of a strategic reduction in the number of ACO REACH participating physicians in 2023. Subsequent to the 2023 performance year, the remaining activities related to the December 2024 settlement with CMS for prior performance years. During the three months ended June 30, 2025 and 2024, the Company recognized net income of zero and $0.2 million, respectively, and for the six months ended June 30, 2025 and 2024, the Company recognized the net income of zero and $4.2 million, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of our condensed consolidated results of operations and financial condition. The discussion should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto for the three and six months ended June 30, 2025, contained in this Quarterly Report on Form 10-Q (the "Form 10-Q") and the audited consolidated financial statements and notes thereto for the year ended December 31, 2024, contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission (the "SEC") on March 3, 2025 (the "2024 Form 10-K"). This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of the 2024 Form 10-K. Actual results may differ materially from those contained in any forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements" for additional information. Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "we," "us," "our," "Clover," "Clover Health," and the "Company" mean the business and operations of Clover Health Investments, Corp. and its consolidated subsidiaries.

Overview

At Clover Health, our vision is to empower every physician with the technology to identify, manage, and treat chronic diseases earlier. Our strategy is to improve the care of people with Medicare, develop wide physician networks, and provide technology to help empower physicians. Our proprietary software platform, Clover Assistant (licensed externally as Counterpart Assistant), helps us execute this strategy by enabling physicians to detect, identify, and manage chronic diseases earlier than they otherwise could. This technology is a cloud-based software platform that provides physicians with access to data-driven and personalized insights for the patients they treat.

We operate Preferred Provider Organization ("PPO") and Health Maintenance Organization ("HMO") Medicare Advantage ("MA") plans for Medicare-eligible individuals. We aim to provide high-quality, affordable healthcare for all Medicare beneficiaries. Among plans with similar major characteristics, we offer most members in our MA plans (the "members") among the lowest average out-of-pocket costs for primary care provider and specialist co-pays in their markets. We strongly believe in providing our members provider choice, and we consider our PPO plans to be our flagship insurance product. An important feature of our MA product is wide network access. We believe the use of Clover Assistant and related data insights allows us to improve clinical decision-making through a highly scalable platform. At June 30, 2025, we operated our MA plans in five states and 200 counties, with 106,323 members.

Key Performance Measures

We manage our operations based on one reportable segment: Insurance. Through our Insurance segment, we provide PPO and HMO plans to Medicare Advantage members in several states. All other clinical services and all corporate overhead not included in the reportable segments are included in Corporate/Other.

The segment grouping is consistent with the information used by our Chief Executive Officer (identified as our chief operating decision maker) ("CODM") to assess performance and allocate the Company's resources.

We review several key performance measures, discussed below, to evaluate our business and results, measure performance, identify trends, formulate plans, and make strategic decisions. We believe that the presentation of such metrics is useful to management and counterparties to model the performance of healthcare companies such as Clover.

Through our Insurance segment, we provide PPO and HMO plans to members in several states. We seek to improve care and lower costs for our members by empowering providers with intuitive data-driven, personalized insights to support treatment of members through our software platform, Clover Assistant.

The following table presents key financial measures for the periods indicated:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	Total	PMPM [(1)]	Total	PMPM [(1)]	Total	PMPM [(1)]	Total	PMPM [(1)]
	(amounts in thousands, except PMPM amounts)							
Insurance members at period end (#)	106,323	N/A	80,261	N/A	106,323	N/A	80,261	N/A
Premiums earned, gross	$ 469,922	$ 1,485	$ 350,002	$ 1,458	$ 926,924	$ 1,489	$ 691,825	$ 1,448
Premiums earned, net	$ 469,826	$ 1,485	$ 349,900	$ 1,458	$ 926,732	$ 1,489	$ 691,622	$ 1,447
Insurance medical claim expense incurred, gross	$ 394,246	$ 1,246	$ 249,753	$ 1,040	$ 762,274	$ 1,226	$ 517,228	$ 1,082
Insurance net medical claims incurred	$ 394,212	$ 1,246	$ 249,406	$ 1,039	$ 762,100	$ 1,226	$ 515,482	$ 1,079
Benefits expense ratio, gross	88.4 %	N/A	76.1 %	N/A	87.3 %	N/A	79.8 %	N/A
Benefits expense ratio, net	88.4 %	N/A	76.1 %	N/A	87.3 %	N/A	79.6 %	N/A
Adjusted SG&A	$ 82,493	N/A	$ 71,704	N/A	$ 165,600	N/A	$ 146,644	N/A
Adjusted EBITDA	$ 17,135	N/A	$ 36,209	N/A	$ 42,917	N/A	$ 43,029	N/A
Adjusted Net income from continuing operations	$ 16,722	N/A	$ 35,862	N/A	$ 42,038	N/A	$ 41,897	N/A

[(1)] Calculated per member per month ("PMPM") figures are based on the applicable amount divided by member months in the given period. Member months represents the number of months members are enrolled in a Clover Health plan in the period.

Membership and associated premiums earned and medical claim expenses

We define new and returning members on a calendar year basis. Any member who is active on July 1 of a given year is considered a returning member in the following year. Any member who joins a Clover plan after July 1 in a given year is considered a new member for the entirety of the following calendar year. We view our number of members and associated PMPM premiums earned and medical claim expenses, in the aggregate and on a PMPM basis, as useful metrics to assess our financial performance. Member growth and retention aligns with our mission, drives our Total revenues, expands brand awareness, deepens our market penetration, creates additional opportunities to inform our data-driven insights to improve care and decrease medical claim expenses, and generates additional data to continue to improve the functioning of Clover Assistant. Among other things, the longer a member is enrolled in one of our insurance plans, the more data we collect and synthesize and the more actionable insights we generate. We believe these data-driven insights lead to better care delivery as well as improved identification, documentation and management of members' chronic conditions, helping to lower PMPM medical claim expenses.

Premiums earned, gross

Premiums earned, gross is the amount received, or to be received, for insurance policies written by us during a specific period of time without reduction for premiums ceded to reinsurance. We believe premiums earned, gross provides useful insight into the gross economic benefit generated by our business operations and allows us to evaluate our underwriting performance without regard to changes in our underlying reinsurance structure. Premiums earned, gross excludes the effects of premiums ceded to reinsurers, and therefore should not be used as a substitute for Premiums earned, net, Total revenues, or any other measure presented in accordance with generally accepted accounting principles in the United States ("GAAP").

Premiums earned, net

Premiums earned, net represents the earned portion of our premiums earned, gross, less the earned portion that is ceded to third-party reinsurers under our reinsurance agreements. Premiums are earned in the period in which members are entitled to receive services, and are net of estimated uncollectible amounts, retroactive membership adjustments, and any adjustments to recognize rebates under the minimum benefit ratios required under the ACA.

We earn premiums through our plans offered under contracts with CMS. We receive premiums from CMS on a monthly basis based on our actuarial bid and the risk-adjustment model used by CMS. Premiums anticipated to be received within twelve months based on the documented diagnostic criteria of our members are estimated and included in revenues for the period, including the member months for which the payment is designated by CMS.

Premiums ceded is the amount of premiums earned, gross ceded to reinsurers. From time to time, we enter into reinsurance contracts to limit our exposure to potential losses as well as to provide additional capacity for growth. Under these agreements, the "reinsurer," agrees to cover a portion of the claims of another insurer, i.e., us, the "primary insurer," in return for a portion of their premium. Ceded earned premiums are earned over the reinsurance contract period in proportion to the period of risk covered. The volume of our ceded earned premium is impacted by the level of our premiums earned, gross and any decision we make to adjust our reinsurance agreements.

Insurance gross medical claims incurred

Insurance gross medical claims incurred reflects claims incurred, excluding amounts ceded to reinsurers, and the costs associated with processing those claims. We believe gross medical claims incurred provides useful insight into the gross medical expense incurred by members and allows us to evaluate our underwriting performance without regard to changes in our underlying reinsurance structure.

Insurance gross medical claims incurred excludes the effects of medical claims and associated costs ceded to reinsurers, and therefore should not be used as a substitute for Net claims incurred, Total operating expenses, or any other measure presented in accordance with GAAP.

Insurance net medical claims incurred

Insurance net medical claims incurred are our medical expenses and consist of the costs of claims, including the costs incurred for claims net of amounts ceded to reinsurers. We enter into reinsurance contracts to limit our exposure to potential catastrophic losses. These expenses generally vary based on the total number of members and their utilization rate of our services.

Non-GAAP Financial Measures

We use non-GAAP measures in this Form 10-Q, including Insurance BER, Adjusted SG&A, Adjusted EBITDA, and Adjusted Net income from continuing operations. These non-GAAP financial measures are provided to enhance the reader's understanding of Clover Health's past financial performance and our prospects for the future. Clover Health's management team uses these non-GAAP financial measures in assessing Clover Health's performance, as well as in planning and forecasting future periods. These non-GAAP financial measures are not computed according to GAAP, and the methods we use to compute them may differ from the methods used by other companies. Non-GAAP financial measures are supplemental to and should not be considered a substitute for financial information presented in accordance with GAAP and should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP.

For a description of these non-GAAP financial measures, including the reasons management uses such measures, and the reconciliations of these non-GAAP financial measures to the comparable GAAP measures, please see "Benefits expense ratio, gross and net", "Adjusted SG&A", "Adjusted EBITDA", and Adjusted Net income from continuing operations below.

Benefits expense ratio, gross and net

Benefits expense ratio ("Insurance BER") is a non-GAAP financial measure. We calculate our Insurance BER by taking the total of Insurance net medical expenses incurred and quality improvements, and dividing that total by premiums earned on a net basis, in a given period. Quality improvements include expenses associated with activities that improve health outcomes, as defined by the U.S. Department of Health and Human Services ("HHS"), as well as those directly tied to enhancing healthcare quality, such as the Company's spend on health information technology, wellness and prevention programs, initiatives to reduce hospital readmissions, and our clinically focused Member Rewards program. We believe our Insurance BER is useful to management, investors, and others because it offers a clearer and more accurate representation of our investment in healthcare quality and member engagement, and gives a comprehensive view of costs related to maintaining and improving the quality of care of our members, which is crucial for sustaining member satisfaction and adherence to treatment regimens.

The tables below provide reconciliations of Net medical claims incurred and Premiums earned on a gross and net basis which are GAAP measures, to Insurance BER, a non-GAAP measure.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Net medical claims incurred, gross (GAAP):	$ 394,246	$ 249,753	$ 762,274	$ 517,228
Adjustments				
Quality improvements	21,191	16,733	46,903	34,938
Benefits expense, gross (non-GAAP)	$ 415,437	$ 266,486	$ 809,177	$ 552,166
Premiums earned, gross (GAAP)	$ 469,922	$ 350,002	$ 926,924	$ 691,825
Benefits expense ratio, gross (non-GAAP)	88.4 %	76.1 %	87.3 %	79.8 %

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Net medical claims incurred, net (GAAP):	$ 394,212	$ 249,406	$ 762,100	$ 515,482
Adjustments				
Quality improvements	21,191	16,733	46,903	34,938
Benefits expense, net (non-GAAP)	$ 415,403	$ 266,139	$ 809,003	$ 550,420
Premiums earned, net (GAAP)	$ 469,826	$ 349,900	$ 926,732	$ 691,622
Benefits expense ratio, net (non-GAAP)	88.4 %	76.1 %	87.3 %	79.6 %

Adjusted SG&A

Adjusted Salaries and benefits plus General and Administrative expenses ("SG&A") is a non-GAAP financial measure defined by us as total SG&A less stock-based compensation and non-recurring legal expenses and settlements. We believe that Adjusted SG&A provides management, investors, and others a useful view of our operating spend as it excludes non-cash, stock-based compensation and expenses related to investments that management believes do not reflect the Company's core operating expenses. We believe that Adjusted SG&A as a percentage of Total revenues is useful to management, investors, and others because it allows us to measure our operational leverage as revenue scales.

The table below provides a reconciliation of Total SG&A, a GAAP financial measure, to Adjusted SG&A, a non-GAAP measure:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Salaries and benefits	$ 61,309	$ 55,499	$ 120,331	$ 114,722
General and administrative expenses	48,484	44,424	99,159	88,993
Total SG&A (GAAP)	109,793	99,923	219,490	203,715
Adjustments				
Stock-based compensation	(26,195)	(27,900)	(52,632)	(56,698)
Non-recurring legal expenses and settlements	(1,105)	(319)	(1,258)	(373)
Adjusted SG&A (non-GAAP)	$ 82,493	$ 71,704	$ 165,600	$ 146,644
Total revenues (GAAP)	$ 477,620	$ 356,260	$ 939,951	$ 703,182
Adjusted SG&A (non-GAAP) as a percentage of Total revenues	17.3 %	20.1 %	17.6 %	20.9 %

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure defined by us as net (loss) income from continuing operations before depreciation and amortization, loss on investment, interest expense, change in fair value of warrants, stock-based compensation, premium deficiency reserve benefit, restructuring costs, impairment of goodwill and other intangible assets, and non-recurring legal expenses and settlements. Adjusted EBITDA is a key measure used by our management team and the board of directors to understand and evaluate our operating performance and trends, to prepare and approve our annual budget and to develop short and long-term operating plans. In particular, we believe that the exclusion of the amounts eliminated in calculating Adjusted EBITDA provide useful measures for period-to-period comparisons of our business. Accordingly, we believe that Adjusted EBITDA provides investors and others useful information to understand and evaluate our operating results in the same manner as our management and our board of directors.

The table below provides a reconciliation of Net (loss) income from continuing operations, a GAAP financial measure, to Adjusted EBITDA, a non-GAAP financial measure:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Net (loss) income from continuing operations (GAAP):	$ (10,578)	$ 7,170	$ (11,852)	$ (16,000)
Adjustments				
Depreciation and amortization	394	330	860	648
Change in fair value of warrants	19	17	19	17
Loss on investment	—	—	—	467
Stock-based compensation	26,195	27,900	52,632	56,698
Restructuring costs	—	473	—	826
Non-recurring legal expenses and settlements	1,105	319	1,258	373
Adjusted EBITDA (non-GAAP)	$ 17,135	$ 36,209	$ 42,917	$ 43,029

Adjusted Net income from continuing operations

Adjusted Net income from continuing operations is a non-GAAP financial measure defined by us as net (loss) income from continuing operations before stock-based compensation, premium deficiency reserve benefit, restructuring costs, non-recurring legal expenses and settlement, and impairment of goodwill and other intangible assets. Adjusted Net income from continuing operations is a key measure used by our management team and the board of directors to understand and evaluate our operating performance and trends. We believe that Adjusted Net income from continuing operations is helpful to investors in assessing the Company's financial performance in the same manner as our management and our board of directors.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Net (loss) income from continuing operations (GAAP)	$ (10,578)	$ 7,170	$ (11,852)	$ (16,000)
Adjustments				
Stock-based compensation	26,195	27,900	52,632	56,698
Restructuring costs	—	473	—	826
Non-recurring legal expenses and settlements	1,105	319	1,258	373
Adjusted Net income from continuing operations (non-GAAP)	$ 16,722	$ 35,862	$ 42,038	$ 41,897

Results of Operations

Comparison of the Three Months Ended June 30, 2025 and 2024

The following table summarizes our condensed consolidated results of operations for the three months ended June 30, 2025 and 2024. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Three Months Ended June 30,		Change Between 2025 and 2024	
	2025	**2024**	**($)**	**(%)**
		(in thousands)		
Revenues				
Premiums earned, net (Net of ceded premiums of $96 and $102 for the three months ended June 30, 2025 and 2024, respectively)	$ 469,826	$ 349,900	$ 119,926	34.3 %
Other income	7,794	6,360	1,434	22.5
Total revenues	477,620	356,260	121,360	34.1
Operating expenses				
Net medical claims incurred	377,992	248,347	129,645	52.2
Salaries and benefits	61,309	55,499	5,810	10.5
General and administrative expenses	48,484	44,424	4,060	9.1
Depreciation and amortization	394	330	64	19.4
Restructuring costs	—	473	(473)	*
Total operating expenses	488,179	349,073	139,106	39.9
Loss (income) from continuing operations	(10,559)	7,187	(17,746)	*
Change in fair value of warrants	19	17	2	11.8
Net (loss) income from continuing operations	(10,578)	7,170	(17,748)	*
Net income from discontinued operations	—	238	(238)	*
Net (loss) income	$ (10,578)	$ 7,408	$ (17,986)	*

* Not presented because the current or prior period amount is zero or the amount for the line item changed from a gain to a loss (or vice versa) and thus yields a result that is not meaningful.

Premiums earned, net

Premiums earned, net increased $119.9 million, or 34%, to $469.8 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase was primarily driven by growth in our average members over the period, which increased approximately 32%.

Other income

Other income increased by $1.4 million, or 23%, to $7.8 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase was primarily driven by an increase in fair value of our equity investments.

Net medical claims incurred

Net medical claims incurred increased $129.6 million, or 52%, to $378.0 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase was primarily driven by growth in our average members during the period, which increased approximately 32% and an increase in our Part D cost sharing due to changes arising from the Inflation Reduction Act. Additionally, prior year amounts were impacted by more favorable prior period developments as compared to the current year.

Salaries and benefits

Salaries and benefits increased by $5.8 million, or 10%, to $61.3 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. This increase was primarily driven by an increase in headcount as a result of the Company's efforts to accommodate its membership growth during the most recent annual enrollment period.

General and administrative expenses

General and administrative expenses increased $4.1 million, or 9%, to $48.5 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase was primarily driven by higher professional fees and higher broker fees, with the latter being driven by membership growth during the most recent annual enrollment period.

Comparison of the Six Months Ended June 30, 2025 and 2024

The following table summarizes our condensed consolidated results of operations for the six months ended June 30, 2025 and 2024. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Six Months Ended June 30,		Change Between 2025 and 2024	
	2025	**2024**	**($)**	**(%)**
		(in thousands)		
Revenues				
Premiums earned, net (Net of ceded premiums of $192 and $203 for the six months ended June 30, 2025 and 2024, respectively)	$ 926,732	$ 691,622	$ 235,110	34.0 %
Other income	13,219	11,560	1,659	14.4
Total revenues	939,951	703,182	236,769	33.7
Operating expenses				
Net medical claims incurred	731,434	513,509	217,925	42.4
Salaries and benefits	120,331	114,722	5,609	4.9
General and administrative expenses	99,159	88,993	10,166	11.4
Depreciation and amortization	860	648	212	32.7
Restructuring costs	—	826	(826)	*
Total operating expenses	951,784	718,698	233,086	32.4
Loss from continuing operations	(11,833)	(15,516)	3,683	(23.7)
Change in fair value of warrants	19	17	2	32.7
Loss on investment	—	467	(467)	*
Net loss from continuing operations	(11,852)	(16,000)	4,148	(25.9)
Net income from discontinued operations	—	4,238	(4,238)	*
Net loss	$ (11,852)	$ (11,762)	$ (90)	0.8 %

* Not presented because the current or prior period amount is zero or the amount for the line item changed from a gain to a loss (or vice versa) and thus yields a result that is not meaningful.

Premiums earned, net

Premiums earned, net increased $235.1 million, or 34%, to $926.7 million for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The increase was primarily driven by growth in our average members over the period, which increased approximately 30%.

Other income

Other income increased by $1.7 million, or 14%, to $13.2 million for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The increase was primarily driven by an increase in fair value of our equity investments.

Net medical claims incurred

Net medical claims incurred increased $217.9 million, or 42%, to $731.4 million for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The increase was primarily driven by growth in our average members during the period, which increased approximately 30% and an increase to our Part D cost sharing due to changes arising from the Inflation Reduction Act. Additionally, prior year amounts were impacted by more favorable prior period developments as compared to the current year.

Salaries and benefits

Salaries and benefits increased by $5.6 million, or 5%, to $120.3 million for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. This increase was primarily driven by an increase in headcount as a result of the Company's efforts to accommodate its membership growth during the most recent annual enrollment period.

General and administrative expenses

General and administrative expenses increased $10.2 million, or 11%, to $99.2 million for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The increase was primarily driven by higher professional fees and higher broker fees, with the latter being driven by membership growth during the most recent annual enrollment period.

Liquidity and Capital Resources

We manage our liquidity and financial position in the context of our overall business strategy. We continually forecast and manage our cash, investments, working capital balances, and capital structure to meet the short-term and long-term obligations of our businesses while seeking to maintain liquidity and financial flexibility.

Historically, we have financed our operations primarily from the proceeds we received through premiums earned under our MA plans. We expect that our cash, cash equivalents, investments, and our current projections of cash flows, taken together, will be sufficient to meet our projected operating and regulatory requirements for the next 12 months based on our current plans. Our future capital requirements will depend on many factors, including our needs to support our business growth, to respond to business opportunities, challenges or unforeseen circumstances, or for other reasons. We may be required to seek additional equity or debt financing to provide the capital required to maintain or expand our operations. Any future equity financing may be dilutive to our existing investors, and any future debt financing may include debt service requirements and financial and other restrictive covenants that may constrain our operations and growth strategies. If additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us, or at all. If we are unable to raise additional capital when desired, our business, results of operations, and financial condition would be adversely affected.

Consolidated Entities

Our cash equivalents and investment securities consist primarily of money market funds, U.S. government debt securities, and corporate debt securities. At June 30, 2025 and December 31, 2024, total cash, cash equivalents, and investments were $389.3 million and $437.6 million, respectively. These totals consist of $200.6 million and $243.1 million at June 30, 2025 and December 31, 2024, respectively, that specifically relate to available-for-sale and held-to-maturity investment securities.

Unregulated Entities

At June 30, 2025 and December 31, 2024, total cash, cash equivalents, and investments for the parent company, Clover Health Investments, Corp., and unregulated subsidiaries were $145.9 million and $151.5 million, respectively. We operate as a holding company in a highly regulated industry. As such, we may receive dividends and administrative expense reimbursements from our subsidiaries, two of which are subject to regulatory restrictions. We continue to maintain significant levels of aggregate excess statutory capital and surplus in our state-regulated insurance subsidiaries.

Regulated Entities

At June 30, 2025 and December 31, 2024 total cash, cash equivalents, and investments for our regulated subsidiaries were $243.4 million and $286.1 million, respectively. Additionally, our regulated insurance subsidiaries held $200.6 million and $243.1 million of available-for-sale and held-to-maturity investment securities at June 30, 2025 and December 31, 2024, respectively. Our use of operating cash derived from our unregulated subsidiaries is generally not restricted by departments of insurance (or comparable state regulatory agencies). Our regulated insurance subsidiaries are subject to regulations and standards in their respective jurisdictions on their ability to declare and pay dividends to the parent. As of June 30, 2025, there have been no dividends paid to the parent. Insurance regulators have broad powers to prevent reduction of statutory surplus to inadequate levels, and there is no assurance that dividends of the maximum amounts calculated under any applicable formula would be permitted. State insurance regulatory authorities that have jurisdiction over the payment of dividends by our regulated insurance subsidiary may in the future adopt statutory provisions more restrictive than those currently in effect.

For a detailed discussion of our regulatory requirements, including aggregate statutory capital and surplus as well as dividends paid from the subsidiaries to the parent, please refer to Notes 19 "Dividend Restrictions", 20 "Statutory Equity", and 21 "Regulatory Matters" in the 2024 Form 10-K.

Cash Flows

The following table summarizes our condensed consolidated cash flows for the six months ended June 30, 2025 and 2024.

Six Months Ended June 30,	2025	2024
	(in thousands)	
Cash Flows Data:		
Net cash (used in) provided by operating activities from continuing operations	$ (10,885)	$ 79,697
Net cash provided by investing activities	44,496	14,139
Net cash used in financing activities	(39,506)	(6,554)
(Decrease) increase in cash and cash equivalents from continuing operations	$ (5,895)	$ 87,282

Cash Requirements

Our cash requirements within the next twelve months include medical claims payable, accounts payable and accrued liabilities, current liabilities, purchase commitments, and other obligations. We expect the cash required to meet these obligations to be primarily generated through cash, cash equivalents, short-term investments, and our current projections of cash flows from operations.

Operating Activities from Continuing Operations

Our largest source of operating cash flows is capitated payments from CMS. Our primary uses of cash from operating activities are payments for medical benefits and payments of operating expenses.

For the six months ended June 30, 2025, Net cash used in operating activities from continuing operations was $10.9 million, which reflects a Net loss from continuing operations of $11.9 million. Non-cash activities primarily included a $52.6 million charge to Stock-based compensation expense.

For the six months ended June 30, 2024, Net cash provided by operating activities from continuing operations was $79.7 million, which reflects a Net loss from continuing operations of $7.2 million. Non-cash activities primarily included a $56.7 million charge to Stock-based compensation expense and Unpaid claims increased by $63.5 million.

Investing Activities

Net cash provided by investing activities for the six months ended June 30, 2025 of $44.5 million was primarily due to $105.1 million provided from the sales and maturities of investment securities. This was offset by $59.9 million used to purchase investments.

Net cash provided by investing activities for the six months ended June 30, 2024, of $14.1 million was primarily due to $66.7 million provided from the sales and maturities of investment securities. This was offset by $51.7 million used to purchase investments.

For additional information regarding our investing activities, please refer to Note 3 "Investment Securities" to our condensed consolidated financial statements included in this Form 10-Q.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2025 of $39.5 million was primarily the result of cash paid for shares withheld related to stock-based compensation totaling $22.1 million and share repurchases totaling $18.3 million of Class A Common stock.

Net cash used in financing activities for the six months ended June 30, 2024 of $6.6 million was primarily the result of cash paid for shares withheld related to stock-based compensation totaling $4.8 million.

Financing Arrangements

There have been no material changes to our financing arrangements at June 30, 2025.

Contractual Obligations and Commitments

We believe that funds from projected future operating cash flows, cash, cash equivalents, and investments will be sufficient for future operations and commitments, and for capital acquisitions and other strategic transactions, over at least the next 12 months.

Material cash requirements from known contractual obligations and commitments at June 30, 2025 include operating lease obligations of $2.8 million. These commitments are associated with contracts that were enforceable and legally binding at June 30, 2025, and that specified all significant terms, including fixed or minimum serves to be used, fixed, minimum, or variable price provisions, and the approximate timing of the actions under the contracts. There were no other material cash requirements from known contractual obligations and commitments at June 30, 2025. For additional information regarding our remaining estimated contractual obligations and commitments, see Note 12 "Commitments and Contingencies" in the accompanying notes to the condensed consolidated financial statements included in this Form 10-Q.

Indemnification Agreements

In the ordinary course of business, we enter into agreements, with various parties (providers, vendors, consultants, etc.), with varying scope and terms, pursuant to which we may agree to defend, indemnify, and hold harmless the other parties from any claim, demand, loss, lawsuit, settlement, judgment, fine, or other liability, and all related expenses that may accrue therefrom (including reasonable attorneys' fees), arising from or in connection with third party claims, including, but not limited to, negligence, recklessness, willful misconduct, fraud, or otherwise wrongful act or omission with respect to our obligations under the applicable agreements.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements, as defined by applicable regulations of the SEC, that are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures, or capital resources.

Critical Accounting Policies and Estimates

We believe that the accounting policies and estimates involve a significant degree of judgment and complexity. There have been no significant changes in our critical accounting policies and estimates during the three months ended June 30, 2025, as compared to the critical accounting policies and estimates disclosed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the 2024 Form 10-K.

Recently Issued and Adopted Accounting Pronouncements

See Note 2 "Summary of Significant Accounting Policies" in the accompanying notes to the condensed consolidated financial statements included in this Form 10-Q for a discussion of accounting pronouncements recently adopted and recently issued accounting pronouncements not yet adopted and their potential impact to our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of economic losses due to adverse changes in the estimated fair value of a financial instrument as the result of changes in equity prices, interest rates, foreign currency exchange rates and commodity prices. Our Condensed Consolidated Balance Sheets include assets and liabilities with estimated fair values that are subject to market risk. Our primary market risk has been interest rate risk associated with investments in instruments with fixed maturities. We do not have material exposure to commodity risk.

We are also exposed to credit risk on our investment portfolio. We manage the exposure to credit risk in our portfolio by investing in high quality securities and diversifying our holdings.

We monitor our investment portfolio to ensure that credit risk does not exceed prudent levels. Our investment policy is focused on preservation of capital, liquidity and earning a modest yield. Substantially all of our investment portfolio is invested in U.S. Treasury fixed maturity securities. At June 30, 2025, none of our fixed maturity securities portfolio was unrated or rated below investment grade.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, such as this report, is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management evaluated, with the participation of our current chief executive officer and chief financial officer (our "Certifying Officers"), the effectiveness of our disclosure controls and procedures at June 30, 2025, pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon that evaluation, our Certifying Officers concluded that, at June 30, 2025, our disclosure controls and procedures were effective.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

From time to time, in the normal course of business, we are subject to various legal proceedings, investigations (both formal and informal), and claims incidental to the conduct of a highly regulated business. Such proceedings can be costly, time consuming, and unpredictable. Therefore, no assurance can be given on the outcome of any proceeding or the potential impact on our financial condition or results of operation.

Information concerning legal proceedings can be found in Note 12 (Commitments and Contingencies) in the accompanying notes to condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q, which information is incorporated by reference into this item.

Item 1A. Risk Factors

Except as subsequently disclosed in our periodic reports, there have been no material changes in our risk factors from those disclosed in Part I, Item 1A of the 2024 Form 10-K. In the course of conducting our business operations, we are exposed to a variety of recurring and new risks, any of which have affected or could materially adversely affect our business, financial condition, and results of operations. The market price of our Class A common stock could decline, possibly significantly or permanently, if one or more of these risks and uncertainties occurs. Any factor described in this report or in any of our other SEC filings could by itself, or together with other factors, adversely affect our financial results and condition. For a discussion of risk factors that could adversely affect our financial results and condition, and the value of, and return on, an investment in the Company, please see the "Item 1A. Risk Factors" section included in the 2024 Form 10-K, as well as the factors identified under "Cautionary Note Regarding Forward-Looking Statements" at the beginning of Part I, Item 1 of this Form 10-Q and as may be updated in subsequent filings with the SEC.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the three months ended June 30, 2025, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or non Rule 10b5-1 trading arrangement (as such terms are defined in Item 408(a) of Regulation S-K of the Securities Act).

Item 6. Exhibits and Financial Statement Schedules

A list of exhibits to this Form 10-Q is set forth below:

Exhibit No.	Description
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2†	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because 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 (embedded within the Inline XBRL document)

* Filed herewith.
† Furnished herewith.

SIGNATURES

Pursuant to the requirements 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.

		CLOVER HEALTH INVESTMENTS, CORP.
Date: August 8, 2025	By:	/s/ Andrew Toy **Andrew Toy** **Chief Executive Officer (Principal Executive Officer)**
Date: August 8, 2025	By:	/s/ Peter Kuipers **Peter Kuipers** **Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)**

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew Toy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the three months ended June 30, 2025, of Clover Health Investments, Corp.;

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 periods 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: August 8, 2025

By: /s/ Andrew Toy
Andrew Toy
Chief Executive Officer

Exhibit 31.2

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter Kuipers, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the three months ended June 30, 2025, of Clover Health Investments, Corp.;

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 periods 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: August 8, 2025

By: /s/ Peter Kuipers

Peter Kuipers
Chief Financial Officer (Principal Financial Officer and Principal Accounting 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 Quarterly Report on Form 10-Q of Clover Health Investments, Corp. (the "Company") for the three months ended June 30, 2025, 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.

Dated: August 8, 2025

By: /s/ Andrew Toy
Andrew Toy
Chief 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 Quarterly Report on Form 10-Q of Clover Health Investments, Corp. (the “Company”) for the three months ended June 30, 2025, 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.

Dated: August 8, 2025

By: /s/ Peter Kuipers

Peter Kuipers
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)