

**SAMPLE**  
**Notice of Issuer's Medical Loss Ratio**

[August 1, 20XX 1]

[Subscriber or Policyholder Name 2a]  
123 Main Street 2b  
Anytown, USA 2c]

Re: [Health Insurer 3] Medical Loss Ratio for [20XX 4]

Dear [Subscriber or Policyholder Name 5]:

This letter is to inform you that in [20XX 6] [Health Insurer 7] has met or had a higher Medical Loss Ratio than the [80/20 85/15 8] standard required by the Affordable Care Act – the health reform law. This letter explains what this means.

The Affordable Care Act requires [Health Insurer 9] to spend at least [80/85 10] percent of the premiums it receives on health care services, such as doctors and hospital bills, and activities to improve health care quality, such as wellness programs. No more than [20/15 11] percent of premiums may be spent on administrative costs such as salaries and advertising. If [Health Insurer 12] does not do so, it must refund part of your premium. This requirement is referred to as the “Medical Loss Ratio” standard or the “[80/20 85/15 13] rule”. The [80/20 85/15 14] rule in the Affordable Care Act is intended to ensure that you get value for your health care dollars. You can learn more about the [80/20 85/15 15] rule and other provisions of the health reform law at: <http://www.healthcare.gov/law/features/costs/value-for-premium/index.html>.

[The Affordable Care Act allows States to apply for a lower ratio. In [20XX 16], your State applied for and received a temporary adjustment to the 80/20 rule. For [20XX 17], [Health Insurer 18] must meet a [XX% 19] Medical Loss Ratio, meaning that [XX% 20] of premiums must be spent on medical services and activities to improve health care quality, and no more than [XX% 21] of premiums may be spent on administrative costs.]

[The Affordable Care Act allows States to require health insurers to meet a higher ratio. Your State sets a higher Medical Loss Ratio standard, so [Health Insurer 22] must meet a [XX% 23] Medical Loss Ratio, meaning that [XX% 24] of premiums must be spent on medical services and activities to improve health care quality, and no more than [XX% 25] of premiums can be spent on administrative costs.]

**What the Medical Loss Ratio Rule Means to You**

The Medical Loss Ratio rule is calculated each year on a State by State basis. In [20XX 26], [Health Insurer 27] met the Medical Loss Ratio standard. In [20XX 28], [Health Insurer 29] spent [XX% 30] of a total of [\$XXX 31] in premium dollars on health care and activities to improve health care quality – [\$XXX 32] above the minimum standard.

[Health Insurer 33] has met the Affordable Care Act's Medical Loss Ratio minimum, indicating that you are receiving the required value for your health care dollars.

Sincerely,

[John Doe, President and CEO 34]  
[Health Insurer 35]