

## Notice of Health Insurance Premium Rebate

[September 30, 20XX 1]

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

Re: Health Insurance Premium Rebate for Year [20XX 3]; [Policy #XXXXXX 4]

Dear [Subscriber Name 5]:

This letter is to inform you that you will receive a rebate of a portion of your health insurance premiums. This rebate is required by the Affordable Care Act – the health reform law.

The Affordable Care Act requires [Health Insurer 6] to rebate part of the premiums it received if it does not spend at least [80/85 7] percent of the premiums [Health Insurer 8] receives on health care services, such as doctors and hospital bills, and activities to improve health care quality, such as efforts to improve patient safety. No more than [20/15 9] percent of premiums may be spent on administrative costs such as salaries, sales, and advertising. This is referred to as the “Medical Loss Ratio” standard or the [80/20 85/15 10] rule. The [80/20 85/15 11] rule in the Affordable Care Act is intended to ensure that consumers get value for their health care dollars. You can learn more about the [80/20 85/15 12] rule and other provisions of the health reform law at: <https://www.healthcare.gov/health-care-law-protections/rate-review/>.

[The Affordable Care Act allows States to require health insurers to meet a higher ratio. [Your State 13] sets a higher Medical Loss Ratio standard, so [Health Insurer 14] must meet a [XX% 15] Medical Loss Ratio, meaning that [XX% 16] of premiums must be spent on medical services and activities to improve health care quality, and no more than [XX% 17] of premiums can be spent on administrative costs].

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

The Medical Loss Ratio rule is calculated on a State-by-State basis. In [your State 18], [Health Insurer 19] did not meet the [80/20 85/15 /target in the state 20] standard. In [20XX 21], [Health Insurer 22] spent only [XX% 23] of a total of [\$YYY 24] in premium dollars on health care and activities to improve health care quality. Since it missed the [80 85 percent target / target in your State 25] by [X% 26], [Health Insurer 27] is required to rebate [X% 28] of the total health insurance premiums paid by the employer and employees in your group health plan. We must send this rebate by September 30, [20XX 29].

### Rebate Distribution Method

[Health Insurer 30] is distributing the rebate based on the total premium paid by your group health plan directly to the employees or subscribers in the group health plan. The rebate is being distributed evenly among these subscribers. [We are enclosing a check/We are sending you a check separately from this letter 31].

**Need more information?**

If you have any questions about the Medical Loss Ratio and your health insurance coverage, please contact [Health Insurer 32] toll-free at [1-XXX-XXX-XXX 33] or [website or email address 34].

Sincerely,

[John Doe, Authorized Executive 35]  
[Health Insurer 36]