

NOTICE OF MEDICAL LOSS RATIO INFORMATION

August 1, 2014

RE: MEDICAL LOSS RATIO INFORMATION - 2013

The Affordable Care Act (ACA) requires health insurance companies in the individual and small group markets to spend at least eighty (80%) percent of the premiums they receive on health care services and activities to improve healthcare quality and in the large group market, this amount is eighty five (85%) percent. This is referred to as the Medical Loss Ratio (MLR) rule or the 80/20 rule. If a health insurer does not spend at least 80% for small group market and/or 85% for large group market of the premiums it receives on health care services and activities to improve health care quality, the insurer must rebate the difference.

A health insurer's Medical Loss Ratio is determined separately for each State's or Territory's individual, small group and large group markets in which the health insurer offers health insurance coverage. In addition, an insurer's Medical Loss Ratio determination and calculation is *not* based on the experience of a single employer but based rather on the experience of the small or large group market as an aggregate.

The law requires health insurers to send any rebates and information to employers and subscribers regarding any rebates due for 2013 no later than August 1, 2014.

You are receiving this notice because NetCare Life & Health Insurance Company has successfully met the Medical Loss Ratio for 2013. Because NetCare met the required MLR threshold, no rebate is due to policyholders.

NetCare spends its members' premium dollars prudently; more than 80 cents of each premium dollar goes toward covering the cost of medical services and health care quality improvement.

For more information on the Medical Loss Ratio and NetCare's Medical Loss Ratio results, visit www.healthcare.gov.

We value your business and appreciate your continued patronage.

Sincerely,



Jerry Crisostomo
Plan Administrator

NetCare's 2013 Group Medical Loss Ratio Analysis:

Group Size	Preliminary MLR	Credibility Adjusted MLR	Target MLR
Large Group (51+)	87.7%	90.3%	85.0%
Small Group (1-50)	83.6%	86.6%	80.0%