## Exhibit 2 – Sample MLR supplemental report language

**Medical Loss Ratio Reporting**

The Affordable Care Act (ACA) requires insurers to spend a minimum percentage of premium dollars on medical services and activities designed to improve health care quality and submit a medical loss ratio (MLR) report to present this information. The Department reviewed the components of the MLR Report filings by utilizing the MLR Procedures Spreadsheet provided by the Center for Consumer Information and Insurance Oversight to review and test, as deemed appropriate, the following items in accordance with 45 CFR Part 158: validity of the data regarding expenses and premiums that the issuer reported to the Secretary, including the appropriateness of the allocations of expenses used in such reporting, whether the activities associated with the issuer’s reported expenditures for quality improving activities meet the definition of such activities, the accuracy of rebate calculations, and the timeliness and accuracy of rebate payments as applicable.

Per our review, no items came to our attention indicating an exception or finding that requires additional disclosure [with the exception of the following:].

Sample Comments / Findings

(*Only complete if exceptions were identified*)

The Company’s MLR form filing was not filed by the required date of June 1st and/or in the manner prescribed by HHS for the MLR reporting year examined.

Financial data elements tested related to the MLR numerator (total incurred claims, deductible fraud and quality improving activities) as defined within 45 CFR Part 158, were notproperly reported… (provide details, note financial reporting impact on the MLR calculation).

Quality improving activities tested do not meet the definition of such activities under 45 CFR Part 158… (provide details, note financial reporting impact on the MLR calculation).

Financial data elements tested related to the MLR denominator (total earned premium and taxes) as defined within 45 CFR Part 158, were not properly reported … (provide details, note financial reporting impact on the MLR calculation).

Concerns were identified in regard to the Company’s expense allocation methodology used to report to HHS… (provide details, note financial reporting impact on the MLR calculation).

(Include only if rebate calculation is wrong due to noted errors)

The (error/errors) noted above, (resulted/did not result) in a change in MLR calculation and the MLR rebates to be paid to enrollees in the following states and markets (List States and markets).

Summary of Recommendations

(*Only complete if exceptions were identified*)

It is recommended that the Company develop controls and business processes sufficient to mitigate risk associated with the reporting and payment requirements of 45 CFR Part 158.