



Addendum to New Business Input Documents Information Needed to Support Required Medical Loss Ratio Reporting under Health Care Reform Law

Please provide us with your average number of employees in 2020.

This information is needed in order to comply with federal law. We need to know the total number of all employees you had in 2020, even if you were not covered by Aetna in 2020. This information will help determine whether you will be owed any rebate for your 2021 medical plan premiums. If you are due a rebate, rebates will be paid in 2022.

Sharing information now may help you and your employees.

A medical plan must spend most of its premium on medical care and activities that improve quality. The health care reform law (the Affordable Care Act) sets rules on the minimum percentage of premium plans must spend on these costs each year. If a plan does not spend the minimum amount on these costs, it has to give policyholders premium rebates. This rule is known as minimum Medical Loss Ratio (MLR).

The minimum required is different for plans that the government considers Small Group and Large Group. We need to include your plan in the correct group when we report information to the federal government.

To do this, each year we will need to know your average number of your employees. Now we need your information for the calendar year 2020.

The law defines the number of employees as "the average number of employees employed by the employer's company during the preceding calendar year." It defines an employee as any person for whom the company issues a W-2. This includes full-time, part-time, temporary, seasonal, salaried, and hourly workers who may or may not have been eligible for your medical plan or covered by Aetna in 2020.

How to calculate the average number of total employees*

To calculate average number of employees, determine the number of employees for each month, add each month's number to get an annual total, and then divide the annual total by 12. In the example below, $253 / 12 = 21$ average number of employees. Round up or down to the nearest whole number--for example, enter 25 if an average number of employees is 24.6.

Example:

| Month | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec** | Total | Average (Total/12) |
|--------------|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-------|-------|--------------------|
| Full Time | 15 | 14 | 14 | 15 | 14 | 15 | 16 | 16 | 15 | 14 | 14 | 14 | | |
| Part Time | 5 | 6 | 5 | 5 | 6 | 6 | 7 | 7 | 5 | 5 | 5 | 5 | | |
| All Other*** | 0 | 0 | 0 | 0 | 0 | 2 | 3 | 3 | 2 | 0 | 0 | 0 | | |
| Total | 20 | 20 | 19 | 20 | 20 | 23 | 26 | 26 | 22 | 19 | 19 | 19 | 253 | 21 |

* Subject to change based on future regulatory guidance.

** Monthly estimates can be used if you are submitting before the end of 2020.

*** All Other is defined as temporary and/or seasonal employees.

The blank boxes below will help you calculate your total average number of employees.

| Month | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec** | Total | Average (Total/12) |
|--------------|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-------|-------|--------------------|
| Full Time | | | | | | | | | | | | | | |
| Part Time | | | | | | | | | | | | | | |
| All Other*** | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | |

If your business is aggregated with one or more other businesses and treated as a single employer under subsection (b) controlled group of corporations, (c) partnerships, proprietorships, etc., under common control, (m) employees of an affiliated service group, or (o) other regulations of section 414 of the Internal Revenue Code, then please provide the combined total number of employees for all businesses that are included in the "single employer group" under the Internal Revenue Code.

Enter your calculated average number of employees in 2020 in the box below (*please write legibly*):

- Enter whole numbers only, such as 3 instead of 3.3 or 16 instead of 15.8
- Enter 0 if:
 1. Your trade or business is owned by you or by you and your spouse; and
 2. You and your spouse are the only employees enrolled in coverage

Please check here **only** if you are a Sole Proprietor and entered 0 in the box above.

By signing below I certify that:

- I am an authorized representative of the plan(s) for which this information is being provided.
- The information I have provided is true and correct.
- You may rely on the responses I have provided.

First Name (Please Print):

Last Name (Please Print):

Title:

Company Name:

Email Address (optional):

Signature:

Today's Date:

We reserve the right to audit all information provided. Providing false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company may violate applicable insurance statutes.