

# Minimum Loss Ratio (MLR) Rebate Process FAQ

## Will Nippon Life Insurance Co. of America pay MLR rebates?

MLRs are calculated for each pool set up by the government. A pool is defined by the size of the group (large group vs. small group) and the state where the contract is written. In some states and group sizes, Nippon Life Insurance Co. of America (Nippon Life Benefits), exceeded the MLR allotments; accordingly, rebates are being paid to applicable clients.

## When will the rebates be calculated?

Rebates were calculated in July for the time period of calendar year 2024.

## What is the timing of mailing the distribution?

For active groups, rebates will be provided as a premium credit in the September premium statement. The total rebate will be allocated to each unit within a group, if multiple units exist.

## Will employees receive a letter with this information?

Yes, as required by the federal regulation, letters are also being mailed to employees at the addresses we have in our records.

## What if employees do not contribute to the cost of their insurance?

Since this is a rebate of premium and the employee did not contribute, they are most likely not going to receive a portion of the rebate from their employer.

## Why did some clients not receive a rebate?

The MLRs are calculated for each market segment or pool that has been set up by the government. A pool is defined by the size of the group (large group vs. small group) and the state where

the contract is written. Nippon Life Insurance Co. of America met the MLR requirements for some market segments or pools; therefore, no rebate is applicable to those clients.

## Can you send the rebates directly to the members of applicable clients?

Clients should contact their legal, accounting or tax advisors for assistance with communicating the rebate and allocating the rebate to their employees. Since allocation methodologies will likely vary from client to client, Nippon Life Benefits will not be in a position to provide assistance with sending rebate allocations to clients' employees.

## Will Nippon Life Benefits allocate my rebate among the separate divisions for applicable clients?

Clients should contact their legal, accounting or tax advisors for assistance allocating the rebate among their company divisions. Since division level allocation methodologies will likely vary from client to client, Nippon Life Benefits will not be in a position to provide assistance with allocating rebates among divisions of a company. While we are distributing active groups at the billing unit level, it does not constitute advice on how to distribute to the members.

## Will clients receive a rebate for 2026?

Determination of 2025 MLR results compared to the targets will be determined in mid-2026.

## When will members of applicable clients receive rebates?

The employer will determine allocation of rebates. Please contact your employer for more information regarding their plans.