

**Department of Managed Health Care/Department of Insurance  
Medical Loss Ratio Reporting Form  
Dental Coverage**

<b>1. MLR Reporting Year</b>	<b>2014</b>
<b>2. Enter DMHC Health Plan ID. Insurers may leave this field blank</b>	
<b>3. Legal Name</b>	<b>The Lincoln National Life Insurance</b>
<b>4. DBA</b>	<b>Lincoln Financial Group</b>
<b>5. Federal Tax Exempt Status? Please enter Yes or No</b>	<b>No</b>

**Cell Key:**

**Blank cells require input from Health plan or Health insurer**

Version 4.22.15

Revised Version 5.26.15

Health Plan ID: \_\_\_\_\_  
 Legal Name: \_\_\_\_\_  
 The Lincoln National Life Insurance Company  
 dBA: \_\_\_\_\_  
 Local Financial Group: \_\_\_\_\_  
 MLR Reporting Year: 2014

Federal Tax Exempt  
 No

# Part 1

Part 1 NOTE: REFER TO MLR INSTRUCTIONS FOR IMPORTANT INFORMATION ABOUT COMPLETING EACH COLUMN AND ROW.	Health Insurance Coverage SDBO Products						Health Insurance Coverage DPO & Indemnity Products					
	Small Group		Large Group		Small Group		Large Group		Small Group		Large Group	
	1	2	3	4	5	6	7	8	9	10	11	12
1.1 Premiums												
1.1.1 Total amount received against	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,481,148	\$ 26,481,148
2.1 Claims												
2.1.1 Total amount claimed (ME B Form Plan 7 Line 7.11)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,989,423	\$ 30,979,077
3.1 Federal and State Taxes and 1 excise or Backstop Fee												
3.1.1 Federal taxes and assessments covered by the reporting health plan or health insurer (via the ME B servicer via)											\$ 141,167	\$ 141,167
3.1.2 Federal income taxes attributable from reissues in ME B reissues											\$ 306,501	\$ 306,501
3.1.3 Other Federal Taxes (other than income tax and assessments) attributable from reissue												
3.2 State insurance, premium and other taxes incurred by the reporting health plan or health insurer during the MLR reporting year (deductible from premium in MLR calculation)											\$ 141,167	\$ 141,167
3.2.1 State income, excise, premium and other taxes											\$ 141,167	\$ 141,167
3.2.2 State income taxes											\$ 141,167	\$ 141,167
3.2.3 Premiums payable on reissues											\$ 141,167	\$ 141,167
3.2.4 Backstop excise, premium and fees											\$ 141,167	\$ 141,167
3.2.5 Total Federal and State Taxes, and fees to be subtracted from reissues											\$ 141,167	\$ 141,167
4.1 Non/Plan Costs												
4.1.1 Plan costs, salaries and benefits											\$ 1,918,793	\$ 1,918,793
4.1.2 Admin and brokers fees and commissions											\$ 2,681,467	\$ 2,681,467
4.1.3 Other costs												
4.1.4 Taxes and assessments (exclude amounts reported in Section 3 or Line 10)												
4.1.5 Fees and benefits of regulatory activities (exclude amounts reported in Line 3.3)												
4.1.6 Other general and administrative expenses											\$ 3,845,498	\$ 3,845,498
4.1.7 Total non-claim costs											\$ 7,545,570	\$ 7,545,570
5.1 Other indicators or information												
5.1.1 Number of covered lives												80,043
5.1.2 Number of months												712,211
5.1.3 Number of Members												80,043
6.1 Net investment income and other net (7.200)												
6.2 Other Federal income taxes payable (line 3.1.2 and 3.1.3)												
Grand Total as of 12/31/12 for ALL members in cell 1.1.2												

Cell Keys:  
 Blank cells require input from Health plan or Health insurer  
 Gray cells require no data input  
 Pink cells require no data input - locked down  
 Blue cells: computed cell (formula cell)

Health Plan ID  
 0  
 Least Name  
 The Lincoln National Life Insurance Company  
 dBA  
 Lincoln Financial Group  
 MLR Reporting Year  
 2014

# Part 2

Part 2 NOTE: REFER TO MLR INSTRUCTIONS FOR IMPORTANT INFORMATION ABOUT	Health Insurance Coverage						Health Insurance Coverage					
	Dental Products						Dental Products					
	Individual		Small Group		Large Group		Individual		Small Group		Large Group	
	Total as of 12/31/14	Total as of 3/31/15	Total as of 12/31/14	Total as of 3/31/15	Total as of 12/31/14	Total as of 3/31/15	Total as of 12/31/14	Total as of 3/31/15	Total as of 12/31/14	Total as of 3/31/15	Total as of 12/31/14	Total as of 3/31/15
	1	2	3	4	5	6	7	8	9	10	11	12
1. Premium:												
1.1 Direct premium written											\$ 28,482,639	\$ 28,482,639
1.2 Unearned premium prior year											\$ (576)	\$ (575)
1.3 Unearned premium MLR Reporting year											\$ 720	\$ 720
1.4 Premium balances written off											\$ -	\$ -
2. Claims:												
2.1 Claims Paid:												
2.1a Claims paid during the MLR reporting year regardless of incurred date											\$ 21,088,012	\$ 21,088,012
2.1b Claims incurred only during the MLR reporting year, paid through 3/31 of the following year											\$ -	\$ 20,589,457
2.2 Direct claim liability:												
2.2a Liability as of 12/31 of MLR reporting year for all claims regardless of incurred date												
2.2b Liability for claims incurred only during the MLR reporting year, calculated as of 3/31 of the following year												
2.3 Direct claim liability prior year												
2.4 Direct claim reserves:												
2.4a Reserves as of 12/31 of MLR reporting year for all claims regardless of incurred date											\$ 1,684,249	\$ 1,684,249
2.4b Reserves for claims incurred only during the MLR reporting year, calculated as of 3/31 of the following year											\$ -	\$ 283,620
2.5 Direct claim reserves prior year											\$ 1,782,718	\$ 1,782,718
2.6 Experience rating refunds (rate credits) paid:												
2.6a Experience rating refunds, with all incurred dates, paid in the MLR reporting year												
2.6b Experience rating refunds associated with premium earned only in the reporting year and paid through 3/31 of the following year												
2.7 Reserve for experience rating refunds (rate credits):												
2.7a Reserved in MLR reporting year regardless of incurred date												
2.7b Reserves specific to the MLR reporting year through 3/31 of the following year												
2.8 Reserve for experience rating refunds (rate credits) prior year												
2.9 Incurred dental incentive pool and bonuses:												
2.9a Paid dental incentive pools and bonuses MLR Reporting year												
2.9b Accrued dental incentive pools and bonuses MLR Reporting year												
2.9c Accrued dental incentive pools and bonuses prior year												
2.10 Contingent benefit and lawsuit reserves											\$ 20,989,543	\$ 20,989,543
2.11 Total incurred claims											\$ -	\$ 20,873,077

State Pages Check (1,365,584.72)

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### Part 3

Description of Expense Element (by Type)	NEW	Detailed Description of Expense Allocation Methods
1	2	3
<b>1. Incurred Claims</b>		
		Expenses are allocated on a cost center-level basis using one of three metrics: paid claims, sales, or in force premium. Allocations are not automatically available at a state level. However, CA premium is tracked on an independent database. For survey, manually calculated the CA ratio of expenses using the total CA premium reported for the survey divided by the total premium for all states.
		12/31 Estimate: + Paid Claims: Our statutory state report had paid claims based on provider location, so the dental claims database was queried to find paid claims (regardless of incurrence period) for groups situated in CA. + Beginning and Ending Reserves: Reserves were calculated by allocating total statutory reserves based on the paid claims reported on Part 2, Line 2.a (as % of total). 3/31 Estimate: + Incurred and paid claims: For groups situated in CA, the dental claims database was queried to find paid claims for all 2014 incurrence months that were paid through 3/31/2015. + BNR Reserves: Completion factors as of 3/31/2015 (using nationwide experience) were applied to each of the 2014 incurred and paid claim months to project the ultimate incurred claims and the
<b>2. Federal and State Taxes and Licensing or Regulatory Fees</b>		
<b>2.a Federal taxes and assessments</b>		
3.1a: FIT		Expenses are allocated on a cost center-level basis using one of three metrics: paid claims, sales, or in force premium. Allocations are not automatically available at a state level. However, CA premium is tracked on an independent database. For survey, manually calculated the CA ratio of expenses using the total CA premium reported for the survey divided by the total premium for all states.
3.1b: ACA Fees		
2.b State insurance, premium and other taxes		
3.2a: State Insurance Dept licenses and fees		Expenses are allocated on a cost center-level basis using one of three metrics: paid claims, sales, or in force premium. Allocations are not automatically available at a state level. However, CA premium is tracked on an independent database. For survey, manually calculated the CA ratio of expenses using the total CA premium reported for the survey divided by the total premium for all states.
3.2b: State premium taxes		
<b>2.c Community benefit expenditures</b>		
		Expenses are allocated on a cost center-level basis using one of three metrics: paid claims, sales, or in force premium. Allocations are not automatically available at a state level. However, CA premium is tracked on an independent database. For survey, manually calculated the CA ratio of expenses using the total CA premium reported for the survey divided by the total premium for all states.
2.d Regulatory authority licenses and fees		Expenses are allocated on a cost center-level basis using one of three metrics: paid claims, sales, or in force premium. Allocations are not automatically available at a state level. However, CA premium is tracked on an independent database. For survey, manually calculated the CA ratio of expenses using the total CA premium reported for the survey divided by the total premium for all states.
<b>3. Non-Claims costs</b>		
<b>3.a Direct sales salaries and benefits</b>		
Variable and base compensation (salaries, benefits, and related) for sales-oriented individuals are centralized in specific grouping of cost centers.		Expenses are allocated on a cost center-level basis using one of three metrics: paid claims, sales, or in force premium. Allocations are not automatically available at a state level. However, CA premium is tracked on an independent database. For survey, manually calculated the CA ratio of expenses using the total CA premium reported for the survey divided by the total premium for all states.
<b>3.b Agents and brokers fees and commissions</b>		
Agents and broker fees and commissions are booked in cost centers exclusively for these expenses.		Expenses are allocated on a cost center-level basis using one of three metrics: paid claims, sales, or in force premium. Allocations are not automatically available at a state level. However, CA premium is tracked on an independent database. For survey, manually calculated the CA ratio of expenses using the total CA premium reported for the survey divided by the total premium for all states.
The dental-allocated commission and fee expense are not deferred due to the short term nature of the contracts.		
<b>3.c Other taxes</b>		
N/A		Expenses are allocated on a cost center-level basis using one of three metrics: paid claims, sales, or in force premium. Allocations are not automatically available at a state level. However, CA premium is tracked on an independent database. For survey, manually calculated the CA ratio of expenses using the total CA premium reported for the survey divided by the total premium for all states.
<b>3.d Other general and administrative expenses</b>		
Contains all other expenses (rent, non-deductible TSP, commissions, etc) which are allocated to CA (per ratio) but are not captured in other fields within the survey.		Expenses are allocated on a cost center-level basis using one of three metrics: paid claims, sales, or in force premium. Allocations are not automatically available at a state level. However, CA premium is tracked on an independent database. For survey, manually calculated the CA ratio of expenses using the total CA premium reported for the survey divided by the total premium for all states.

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Health Plan ID  
 0  
 Leaflet Name  
 The Lincoln National Life Insurance Company  
 dBA  
 Lincoln Financial Group  
 MLR Reporting Year  
 2014

# Part 4

Part 4 NOTE: REFER TO MLR INSTRUCTIONS FOR IMPORTANT INFORMATION ABOUT COMPLETING EACH COLUMN AND ROW.		Health Insurance Coverage DENTAL PRODUCTS												Health Insurance Coverage NON-DENTAL PRODUCTS											
		Individual				Small Group				Large Group				Individual				Small Group				Large Group			
		PY2	PY1	CY	Total	PY2	PY1	CY	Total	PY2	PY1	CY	Total	PY2	PY1	CY	Total	PY2	PY1	CY	Total	PY2	PY1	CY	Total
1.1	Medical Loss Ratio Numerator Adjusted incurred claims as reported on MLR Form for prior year(s) (Part 1 Line 2.1)																								
1.2	Adjusted incurred claims as of 3/31 of the year following the MLR reporting year (Part 1 Line 2.1)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
1.3	MLR numerator (Line 1.2)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2.1	Medical Loss Ratio Denominator Premium earned (Part 1 Line 1.1)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2.2	Federal and State taxes and licensing or regulatory fees (Part 1 Line 3.4)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2.3	MLR Denominator (Line 2.1 - Line 2.2)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1	Life-years (Part 1 Line 5.3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.1	MLR Calculation (for Health plans or health insurers with at least 1,000 life years in the Total column of Line 3.1)																								



**Department of Managed Health Care  
Medical Loss Ratio Reporting Form: Dental Coverage  
Attestation**

**Health Plan ID**

0

**Legal Name**

The Lincoln National Life Insurance Company

dBA

Lincoln Financial Group

**MLR Reporting Year**

2014

## Attestation

*Attestation Statement*

The officers of this reporting Health plan being duly sworn, each attest that he/she is the described officer of the reporting Health plan, and that this MLR Reporting Form, the Company/Health plan Associations, and any supplemental submission that the Health plan includes are full and true statements of all the elements included therein for the MLR reporting year stated above, and that the MLR Reporting Form has been completed in accordance with the Department of Managed Health Care's guidance and reporting instructions, according to the best of his/her information, knowledge and belief. Furthermore, the scope of this attestation by the described officer includes any related electronic filings and postings for the MLR reporting year stated above and which are required by Department of Managed Health Care.

Chief Executive Officer/President

\_\_\_\_\_  
Chief Financial Officer