



# Instructions for Form 8963

(January 2014)

## Report of Health Insurance Provider Information

Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information and developments related to Form 8963 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/form8963](http://www.irs.gov/form8963).

### General Instructions

#### Purpose of Form

File Form 8963 to report net premiums written for health insurance of United States health risks. The information you report will be used by the IRS to calculate the annual fee on health insurance providers.

The fee is imposed by Public Law 111-148, Patient Protection and Affordable Care Act (PPACA) section 9010, as amended by PPACA section 10905, and as further amended by Public Law 111-152, Health Care and Education Reconciliation Act of 2010 section 1406 (collectively the "ACA").

#### Who Must File

Generally, a covered entity that provides health insurance for any United States health risk during the 2014 fee year (the calendar year in which the fee must be paid) must file Form 8963.

#### When To File

File Form 8963 by April 15, 2014, for 2013 calendar year net premiums written information (2013 is the data year, which is the calendar year immediately before the 2014 fee year).

#### How To File

There are two ways to file your Form 8963.

1. You can file Form 8963 (with Form 8453-R, Declaration and Signature for Electronic Filing of Forms 8947 and 8963) electronically by accessing IRS *e-file* using your own computer, or
2. You can file a paper Form 8963.

### E-File: It's Convenient, Safe and Secure

IRS *e-file* is the IRS's electronic filing program. For more information about IRS *e-file*, visit [IRS.gov](http://IRS.gov). By filing electronically, you will receive an electronic acknowledgment once you complete the transaction. Keep it with your records.

### Where To File



If you are not filing electronically, send your paper Form 8963 to the following address.

Department of Treasury  
Internal Revenue Service  
1973 Rulon White Boulevard  
Mail Stop 4916 IPF  
Ogden, UT 84404

### Public Disclosure

The information on this form is not confidential. Although, generally, returns and return information are confidential, as required by section 6103, the information on this form is not subject to section 6103, pursuant to ACA section 9010, as amended. All information on this form is subject to public disclosure. Do not include personal information other than that requested by this form.

### Definitions

**Covered entity.** Generally, covered entity means any entity with net premiums written for health insurance for United States health risks during the fee year that is:

- A health insurance issuer within the meaning of section 9832(b)(2);
- A health maintenance organization within the meaning of section 9832(b)(3);
- An insurance company that is subject to tax under subchapter L, Part I or II, or that would be subject to tax under subchapter L, Part I or II, but for the entity being exempt from tax under section 501(a);

- An insurer that provides health insurance under Medicare Advantage, Medicare Part D, or Medicaid; or
- A non-fully insured multiple employer welfare arrangement (MEWA).

**Net premiums written.** Net premiums written means premiums written, including reinsurance premiums written, reduced by reinsurance ceded, and reduced by ceding commissions and medical loss ratio (MLR) rebates with respect to the data year.

**United States health risk.** A United States health risk means the health risk of any individual who is:

- A United States citizen,
- A resident of the United States (within the meaning of section 7701(b)(1)(A)), or
- Located in the United States, with respect to the period such individual is so located.

**Health insurance.** In general, the term "health insurance" has the same meaning as the term "health insurance coverage" in section 9832(b)(1)(A), defined to mean benefits consisting of medical care (provided directly, through insurance or reimbursement, or otherwise) under any hospital or medical service policy or certificate, hospital or medical service plan contract, or health maintenance organization contract offered by a covered entity. The term "health insurance" includes limited scope (also called stand-alone) dental and vision benefits under section 9832(c)(2)(A) and retiree-only health insurance, but does not include any other excepted benefits under section 9832(c).

For the definitions of controlled group, single-person covered entity and designated entity, see *Specific Instructions* next.

### Specific Instructions

**Covered entity information.** A covered entity is either a

single-person covered entity or a member of a controlled group. A single-person covered entity is a covered entity that is not a member of a controlled group. Under the controlled group rule of ACA section 9010(c)(3), all persons treated as a single employer under sections 52(a), 52(b), 414(m), or 414(o) will be treated as one covered entity. In applying the single employer rules, ACA section 9010(c)(3)(B) provides that a foreign entity subject to tax under section 881 is included within a controlled group under section 52(a) or 52(b). A covered entity is treated as being a member of a controlled group if it is a member of the group at the end of the day on December 31, 2013.

**Box 1. Single-person covered entity.** Check box 1 if you are a single-person covered entity. You must sign Part I on page 1 (see Part I signature instructions below). Also complete the first line of Schedule A.

**Designated entity.** Each controlled group must have a designated entity.

If the controlled group, without regard to foreign corporations included under ACA section 9010(c)(3)(B), is also an affiliated group that files a consolidated return for federal income tax purposes, the designated entity is the agent of the affiliated group as identified on the tax return filed for the data year.

If not, the controlled group must select one of its members to be the designated entity.

If a controlled group does not select a designated entity, the IRS will select a member of the controlled group as the designated entity for the controlled group.

The designated entity is responsible for the following for the group:

- Filing Form 8963,
- Receiving IRS communications about the fee,
- Filing any necessary error correction report,
- Paying the fee to the IRS,
- Obtaining consents from all controlled group members that are required to be listed on Schedule A of this form, and

- Providing (to the IRS upon request) the consents obtained from controlled group members that are required to be listed on Schedule A of this form.

If the IRS selects the designated entity, then all members of the controlled group that are required to be listed on Schedule A of this form will be deemed to have consented to this election.

**Box 2a. Agent of an affiliated group.** Check box 2a if you are the agent of an affiliated group. You must also sign Part I on page 1 (see Part I signature instructions below). Also complete the first line of Schedule A, with your NAIC company and group code and net premiums written, if any.

**Box 2b. Other.** Check box 2b if you are the designated entity for a covered entity that is not an affiliated group. You must also sign Part I on page 1 (see Part I signature instructions below). Also complete the first line of Schedule A, with your NAIC company and group code and net premiums written, if any.

**Corrected report.** Check the box if this is a corrected report.

**Employer identification number (EIN).** Enter your EIN. If you do not have an EIN, you must apply for one. If filing your Form 8963 electronically, enter your 9-digit EIN without the dash. The EIN will be properly formatted for you.

**Number of controlled group members included in Schedule A.** Enter the number of controlled group members who, as of the end of the day on December 31, 2013, are covered entities, including the entity in box 2a or 2b. If reporting as a single-person covered entity, enter 1 as the number of controlled group members.

**Entity name.** If you checked box 1, enter the name of the single-person covered entity in the entity name. If you checked box 2a or 2b, enter the name of the designated entity. If you have a trade name or are doing business under a different name, enter that name or d/b/a name on the "Entity name (continued)" line.

**Address.** Enter your P.O. box number only if your post office does not deliver mail to your street address.

**Third party.** If you receive your mail in care of a third party (such as an accountant or an attorney), enter on the first street address line "C/O" followed by the third party's name and enter the third party's street address or P.O. box on the "Address (continued)" line.

**Foreign address.** If reporting a foreign address, include the full name of the country using uppercase letters in English. If you file Form 8963 electronically, select the full name of the country from the drop down in the foreign country name box. Enter foreign province or state, and postal code.

**Part I. Signature of Official Signing on Behalf of the Single-Person Covered Entity or Designated Entity (Agent of an Affiliated Group, or Other Designated Entity) and Consent by the Designated Entity (if applicable)**

Complete the date signed, phone number, fax number, the typed name of the signing official, and the title of the signing official. If you are filing by paper, you may sign this form manually.

If you file Form 8963 electronically, you will need to manually sign, scan, and upload Form 8453-R (see Form 8453-R) with this form.

**Part II. Alternate Contact Person Designee**

If you want to designate an employee to discuss the report with the IRS, check the related box and enter the person's name, title, phone number, and fax number, and we will contact that person if we have any questions concerning the report.

**Schedule A. Single-Person Covered Entity or Controlled Group Member Information**

Enter the single-person covered entity, common parent of affiliated group, or designated entity information on the first line. This information will automatically populate the first line of Schedule A if you complete the form electronically. It is unnecessary to repeat the entity name and address from page 1 on line 1, but you must enter all of the premium

data requested for the entity. Complete additional lines for each controlled group member who, as of the end of the day on December 31, 2013, is a covered entity, and enter the following information for each member.

**(a) Employer identification number (EIN).** If filing your Form 8963 electronically, enter your 9-digit EIN without the dash. The EIN will be properly formatted for you.

**(b) Entity name.** If you have a trade name or are doing business under a different name, enter that name or d/b/a name.

**(c) Address.** Enter your P.O. box number only if your post office does not deliver mail to your street address.

If reporting a foreign address, also include the full name of the country using uppercase letters in English. Enter the information in the following order: city, province or state, and postal code.

**(d) and (e) National Association of Insurance Commissioners (NAIC) identification codes.** Enter (d) NAIC company code and (e) NAIC group code for each single-person covered entity, common parent of affiliated group or designated entity, and each controlled group member who, as of the end of the day on December 31, 2013, is a covered entity. If you do not have an NAIC company code or group code for a covered entity or controlled group member, leave the related field blank.

**(f) Direct premiums written.**

Related acronyms:

- Supplemental Health Care Exhibit (SHCE),
- Center for Consumer Information and Insurance Oversight (CCIIO), and
- Medical Loss Ratio (MLR) Annual Reporting Form (MLR Form).

For each single-person covered entity or member of a controlled group, the source of data for determining direct premiums written is the SHCE, CCIIO MLR Form, or any equivalent form required by the state of domicile of the entity (or member) or by federal law. If the entity or member does not file an SHCE, an MLR Form, or any equivalent form, the entity or member is still required to

file Form 8963 and provide direct premiums written for health insurance of United States health risks and any other information required by this form.

References to the NAIC SHCE and the CCIIO MLR Form in these instructions are solely for your convenience in identifying the premium information required for this report.

Generally, if the entity files an SHCE with NAIC and/or an MLR Form with CCIIO, enter the direct premiums written as reported for calendar year ended December 31, 2013, to:

- NAIC on your SHCE, Part 2, line 1.1, columns 1 - 10; or
- CCIIO on the MLR Form, Part 2, line 1.1, columns 1 - 35, amounts from "Total as of 12/31/13" columns **only**.

Only include direct premiums written for health insurance of United States health risks. Exclude from direct premiums written any premiums for coverage that is not health insurance for United States health risks. See definitions of "health insurance" and "United States health risk", earlier. For any covered entity that files the SHCE with the NAIC, the entire amount reported on the SHCE as direct premiums written will be considered to be for health insurance of United States health risks (subject to any applicable exclusions for amounts that are not health insurance) unless the covered entity can demonstrate otherwise.

If the entity does not file an SHCE with NAIC or an MLR Form with CCIIO, or those forms do not contain the relevant data for determining all of the direct premiums written for health insurance for United States health risks of an entity (or member), enter comparable direct premiums written information from any equivalent form required by the state of domicile of the entity (or member) or by federal law.

If no single form contains all of the relevant data for determining all of the direct premiums written for health insurance for United States health risks of an entity (or member), then direct premiums written must be determined using aggregated data from multiple forms.

**(g) MLR rebates.** Enter MLR rebates as you reported for the calendar year ended December 31, 2013, to:

- NAIC on SHCE, Part 1, lines 5.3 to 5.5, column 15 total; or
- CCIIO on the MLR Form, Part 1, lines 2.7 to 2.9, column 1, "Total as of 12/31/13" **only**.

Figure the MLR rebates (current year accrual), as below.

1. Rebates paid	(from SHCE, line 5.3, or CCIIO MLR Form, line 2.7)	\$ _____
2. Less: Estimated rebates unpaid - prior year	(from SHCE, line 5.4, or CCIIO MLR Form, line 2.8)	\$ (_____)
3. Plus: Estimated rebates unpaid - current year	(from SHCE, line 5.5, or CCIIO MLR Form, line 2.9)	\$ _____
4. MLR rebates (current year accrual). Enter this net amount as a positive number in column (g).		\$ _____

**(h) Stand-alone dental or vision direct premiums written.** Enter the amount of stand-alone dental or vision direct premiums written as reported to the NAIC on the SHCE, footnote (a). If you do not file an SHCE, include direct premiums written for policies providing for dental only or vision only coverage issued as a stand-alone dental or vision policy, or as a rider to a medical policy through deductibles or out-of-pocket limits.

**(i) Net premiums written.** Enter the total of [columns (f) minus columns (g)] plus columns (h) in column (i). This is 100% of the amount of net premiums written for health insurance of United States health risks for the calendar year. The IRS will compute net premiums written taken into account (in accordance with Regulations section 57.4(4)). If negative, enter 0. Any negative amounts will be treated as zero for fee calculation purposes.

**(j) Amount in column (i) attributable to 501(c)(3), (4), (26) or (29) entities.**

**Box 1 (or drop down menu).**

Enter the number of the paragraph for the partial exclusion for certain exempt activities, if applicable. Allowable selections are 3, 4, 26, or 29. If you file Form 8963 electronically, select the number of the paragraph from the drop down menu.

**Box 2.** Enter the portion of net premiums written included in the total reported in column (i) for health insurance premiums that are attributable to certain exempt activities of a covered entity qualifying under paragraph (3), (4), (26), or (29) of section 501(c) (ACA section 9010(b)(2)(B), partial exclusion for certain exempt activities). Enter 100% of these premiums that qualify for the exclusion and the IRS will apply the 50% reduction after application of the percentage of net premiums written taken into account in ACA section 9010(b)(2)(A) (see *(i) Net premiums written*, earlier). If the amount entered is greater than the net premiums written reported in column (i), it will be limited to the amount of column (i) for that controlled group member for fee calculation purposes.

**Error Correction Process**

On receipt of the notification that contains the 2014 preliminary fee calculation from the IRS, a covered entity must review the data contained in the notification. If the covered entity believes that the notification contains one or more errors in the mathematical calculation of the fee, the net premiums written data, the net premiums written after taking into account the application of Regulations section 57.4(a)(4), or any other error, the covered entity must file a

corrected report to the IRS by July 15, 2014. The IRS will not accept corrected Forms 8963 filed after this date. The corrected report is to be made to the IRS by completing, in full, a new Form 8963, and checking the "Corrected report" box on the form.

The covered entity may submit its corrected Form 8963 either electronically or by mail to the mailing address listed earlier for filing the initial Form 8963. The corrected Form 8963 will replace the originally filed Form 8963; therefore, the corrected report must contain all required information in accordance with these instructions for the form. An attachment should be included with the corrected Form 8963 if any item being corrected requires further explanation. In the case of a controlled group, if the preliminary fee calculation for the controlled group contains one or more errors, the corrected Form 8963 must include all of the required information for the entire controlled group, including members that do not have corrections. If a designated entity filed a Form 8963 on behalf of the covered entity, the designated entity must also file any corrected report for the covered entity.

---

**Disclosure and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right fee.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or

records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

**Public disclosure, open to public inspection.** Although, generally, returns and return information are confidential, as required by section 6103, the information on this form is not confidential and is not subject to section 6103 pursuant to ACA section 9010, as amended. All information on this form is subject to public disclosure. Do not include personal information other than that required to be disclosed.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping</b> . . . . .	5 hrs., 30 min.
<b>Learning about the law or the form</b> . . . . .	53 min.
<b>Preparing the form</b> . . . . .	1 hr., 1 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [www.irs.gov/formspubs](http://www.irs.gov/formspubs). Click on "More Information" and then on "Give us feedback." You can also write to:

Internal Revenue Service  
Tax Forms and Publications  
1111 Constitution Ave. NW,  
IR-6526  
Washington, DC 20224

Do not send the form to this office. Instead, see *Where To File*, earlier.

---