



INFORMATIONAL MEMORANDUM

OIR-04-023M

ISSUED

DECEMBER 15, 2004

Florida Office of Insurance Regulation

Kevin McCarty, Commissioner

To All Accident and Health Insurers and Health Maintenance Organizations

Implementation of Chapters 627.6402, 627.65626, and 641.31(40), Florida Statutes - "Healthy Lifestyle Rebates"

The purpose of this memorandum is to advise all accident, health insurers, and health maintenance organizations of their statutory responsibilities with respect to the inclusion of a healthy lifestyle rebate in all health insurance rate filings.

During the 2004 Legislative Session, House Bill (HB) 1629 was enacted and included the addition of Chapters 627.6402, 627.65626, and 641.31 (40), Florida Statutes. Effective July 1, 2004, HMO's, individual carriers, and small group carriers must make available an appropriate rebate of premiums paid in the last calendar year when agreed-upon health status indicators are met. This "healthy lifestyle rebate" is currently in effect with the first rebate available in calendar year 2006 for the earned premiums in calendar year 2005.

Companies that have not made appropriate rate filings to reflect their rebate method should make these filings immediately.

Companies are advised that failure to have these plans available for calendar year 2005 with the first rebate available in calendar year 2006 constitutes a violation of Florida Statutes. The Office will return as incomplete any filing received after December 31, 2004, for health insurance or HMO coverage that does not provide for the healthy lifestyle rebate.

The full text of Chapters 627.6402, 627.65626, and 641.31(40), Florida Statutes can be found at: <http://www.flsenate.gov/Statutes/index.cfm>.

In addition, the Office of Insurance Regulation has published and is in the process of promulgating regulations (Rules 69O-149.0055, 69O-149.038, and 69O-191.0545, F.A.C.), which should assist companies in carrying out their responsibilities. The text of these rules have been published in the Florida Administrative Weekly, Volume 30, Number 39, September 24, 2004, pages 4005-4008. Any questions regarding this memorandum, the legislation, or the regulation can be addressed to Frank Dino with the Bureau of Life & Health Forms and Rates at (850) 413-5014.